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Booming in the Middle East

Anecdotal information suggests that hardwood demand in the Middle East increased substantially during 2004. The signs are that this year could be even better.

Whilst it is very difficult to obtain reliable import statistics for these markets, certain assumptions can be made based on individual country exports to the region, market visits and comments from market analysts. What is for certain, is that the region's populations and economies are growing very rapidly, that both foreign and internal investment is increasing, along with commerce and tourism, resulting in an on-going construction boom.

Europe is region's main supplier

Europe is the region's foremost supplier of hardwood, with Romania shipping between 500,000 and 600,000 m3 of sawn hard lumber to the Middle East last year. In addition to Romanian beech – half of which is destined for Egypt's furniture industry – oak is shipped from France, Germany, the CIS and the Balkans and smaller volumes of various other species, including European maple, ash and cherry come from all over Europe. In total, it is estimated that around 900,000 to 1 million cubic metres of sawn hardwood lumber were shipped from Europe to the Middle East in 2004, but this figure does include some North American species as well as small volumes of African hardwoods. Alongside sawn hardwood lumber shipped from Europe, Malaysian hardwoods are an important item in the Middle East for furniture carcasing, doors and interior joinery. In 2003, exports of sawn hardwoods from Malaysia to the region reached 140,000 m3 and this would have been dominated by meranti, both light and dark red. Market commentators estimate that last year, this figure would have increased by between 10 and 20% and that it will increase again in 2005, provided that supplies are not limited. African hardwoods are another important item in the Middle East and large quantities of iroko, sapele and wawa are imported by Saudi Arabia and the other Gulf markets. It is almost impossible to say exactly how much African hardwood was shipped to the region in 2004, as import statistics are very unreliable. However, market analysts estimate that it would have been in the region of 200,000 m3.

In addition to European, Asian and African species, some sawn hardwoods are shipped from Latin America and also from North America. In fact, exports from the US and Canada reached record levels in 2004 and totalled around 70,000m3, almost half of which was destined for Saudi Arabia. In the Gulf markets, American hardwoods are becoming an increasingly important item and now account for as much as 30% of imports in certain countries.

Saudi Arabian economic boom

The region's largest market for hardwoods showed every sign of maintaining growth momentum through last year and forecasts suggest that 2005 could prove to be even better. Demand for hardwoods, particularly temperate hardwoods, has risen very rapidly during the last two years and there are few indications to suggest that current demand will decrease in the coming months. The reasons for the substantial increase in demand in Saudi Arabia are two-fold. Firstly, the events of September 11th 2001 have actually benefited the Saudi economy, as fewer nationals want to travel and invest overseas. Saudis who once invested heavily in the USA and Europe are now more interested in investing at home and this is reflected in the growth seen in the Kingdom's stock market. Secondly, and more recently, the price of oil has been extremely high during the past few months and, since Saudi

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Editorial: change is sweet

Drawing on the 2004 import data, we've provided a thorough review of the European hardwood trade in the last two issues of Hardwood Markets. This review has highlighted the major structural changes that are underway, suggesting this may be a challenging time for many European importers. EU imports of primary wood products are generally declining. There is a shift to increased imports of secondary and finished products, particularly from the Far East. Hardwood importers are locked in a fierce struggle to maintain share in a gradually shrinking market. The remaining end-users are less and less willing to shoulder the risk of carrying stocks and increasing their demands for just in time delivery and for tighter product specifications. At the same time there is increased competition for available supplies, as more is diverted to buoyant Asian markets. Currency fluctuations and rising freight rates are a source of constant uncertainty. Demands for legality verification and independent certification of timber supplies are intensifying. But there continues to be intense competition from non-wood substitutes not subject to the same level of environmental scrutiny.

The challenges are so immense that it comes as a surprise to learn during my regular conversations with European importers that a few of them are, in fact, doing rather well. They seem to have embraced these changes, seeing in them a huge range of new opportunities. While there is no single magic formula, it is possible to identify a few of the elements of a successful corporate strategy in our volatile world of wood.

It is very evident that representatives of the more successful companies are extremely well informed - not just of the goings-on in their own national markets. They are alive to the opportunities emerging in other parts of the world. Like good portfolio managers, many are reducing their trading risks through diversification, both of their markets and of their supply sources. Others have adopted a slightly different strategy, minimising risks by developing closer partnerships with their most reliable suppliers and customers. Another common theme is to "add value", both through development of innovative products and additional services. By doing so, companies are effectively shifting out of the commodity trade into higher value sectors where the competition is less and the margins are higher.

In short, these companies are followers of Aristotle, who said that "change in all things is sweet".

Rupert Oliver

Africa

Species notes

Sapele market enigma

Sapele: reports from the market are very mixed, largely dependent on position in the wood chain. There is a strong perception amongst European importers that sapele is readily available. European landed stocks have built up over recent weeks as products have arrived with reasonable regularity from Africa during the course of the dry season. Meanwhile, consumption in Europe has remained very sluggish. The result has been very intense competition amongst importers for onward sales and, as so often happens, a tendency for prices to fall below replacement value. But the market perspective of the African shipper is very different. Concessionaires are already suggesting that log supplies are running thin and that throughput of sawn lumber is likely to be insufficient to meet demand in the second half of the year. Overall levels of harvesting have remained relatively low, reflecting tighter government control and moves by producers to curtail sapele harvesting towards the end of the logging season in the face of reports of slow market demand. The rainy season is imminent, and many mills in the Congo basin will shut down completely for several weeks in July/August to undertake maintenance work. African shippers report full order books for their current stocks of sapele, with many now not quoting for shipment before September. Indications are that the European market for sapele sawn lumber may swing fairly rapidly from glut to shortfall in the second half of the year. Against this background, many shippers are maintaining FOB sapele log and sawn lumber prices unchanged, even while prices for European landed stocks have continued to decline. Shippers are now trying to develop new markets for sapele sawn lum-

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African indicative prices

	Mar	Apr	May
Exchange rates			
US$/euro	1.30	1.29	1.23
US$/£	1.89	1.90	1.81
Euro/£	1.46	1.47	1.48
All prices include agents commission of 5%			
Sawn lumber			
Cameroon, CAR, Congo (Braz.)			
Euro/m3; FOB			
Grade/size: FAS, air dried, width6"+, length 6'+			
Sapele	450	440	450
Sipo	550	550	575
N'Gollon	600	600	600
Iroko	680	710	710
Cote d'Ivoire			
Euro/m3; FOB Abidjan			
Grade: FAS			
Size: width 6"+ avg 9"-10"; length 6'+ avg 10'-11', thickness 1"-2"			
Iroko AD	695	710	710
Mahogany AD	600	600	600
Framire KD(b)	430	425	425
Ayous KD No.1 C&S	320	320	320
Dimension stock			
Azobe	440/500	440/500	440/500
Dabema	325/375	325/375	325/375
Gabon			
Euro/m3; FOB			
Grade and size: FAS, width 6"+, length 6'+			
Okoume KD	340	340	340

Africa

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ber in the United States for joinery and reproduction furniture applications, as a cheaper alternative to African khaya. Unlike a few years ago, these efforts now seem to be meeting with some success.

- **Sipo/utile**: overall market size is constrained and European sales have been very sluggish, partly a reflection of the market perception that sapele offers a cheaper alternative and is readily available. Nevertheless FOB prices for sawn lumber have remained stable in recent weeks.
- **Framire/idigbo/emeri**: some importers indicate constant sales of Ivory Coast framire in the UK. However with prices now higher and supplies less consistent the market is not as large as in previous years. Shipments out of Ivory Coast have been more consistent in recent weeks, although underlying concerns over the long-term stability of the country are in no way resolved. Rising levels of EU sawn lumber imports from Ivory Coast in 2004 suggest that mill owners may be rushing to get as much wood out of the country before the political situation takes a turn for the worse.
- **Iroko**: some shippers report fairly consistent sales of iroko sawn lumber. Others comment that the important Irish market for fixed sizes is well down on previous years as importers have shifted to other species (notably sapele) in the face of higher prices. Nevertheless, the consensus is that iroko sawn lumber supplies are still difficult to obtain, particularly in fixed sizes. Shippers are trying to push through further price rises, but the market remains resistant. As for framire, shipments out of the Ivory Coast have become more consistent in recent weeks. Inevitably, the quality of Ivory Coast production is now less reliable.
- **Wawa**: there has been consistent demand for wawa in the UK, although the overall size of the market for mouldings manufactured in the country is tending to shrink. There are reports of strong demand for wawa in South Africa.
- **Khaya**: there are some reports of a slight slowdown in US forward demand for khaya sawn lumber in recent weeks, thought to be a reflection of some temporary overstocking in the US following some significant arrivals in recent months. However there are signs of more questions being asked in the US over the quality of the khaya on offer and of current price levels. The weak dollar has meant that prices seem high in US terms. Against this background, some importers have been encouraged to explore the potential for sales of sapele in the US, a species which can be offered at a significantly lower price.
- **Azobe**: there are some reports of a slight improvement in azobe log prices on the back of renewed European demand.

Asia

Asian logs

Supplies still restricted

Recent reports indicate that tropical log supplies in South East Asia are still very restricted. Weather conditions were very poor in the major producing areas in Sarawak and Sabah during the early part of April, restricting harvesting. Weather conditions have subsequently improved, but there is still a backlog of demand to be filled. Local mills in Malaysia were generally supplied first, limiting availability for export. The major government crackdown on illegal logging in the Indonesian province of Papua (see article page 5) is also beginning to be felt in more restricted log supplies.

Strong Chinese and Indian demand

Demand for South East Asian logs remains very high in China and India, tending to run ahead of available supply for certain species (particularly keruing), with many importers suffering from shortfalls. Domestic demand for logs in Indonesia is also very high, a reflection both of the on-going Tsunami relief work and improving global demand for finished Indonesian wood products. As a result FOB prices for tropical hardwood logs throughout the region – including from Sarawak, Sabah, Papua New Guinea, and the Solomon Islands - have tended to firm. The tight supply situation is now forecast to last at least until the end of the year. And long term trends suggest little prospect of any significant improvement in supply, as Malaysia is imposing tougher limits on harvesting and seeking to extend certification practice, while Indonesia now seems more determined to face up to the illegal logging problem.

With much of the supply now destined for China and India, Japanese buyers are struggling to obtain sufficient supplies at reasonable prices, forcing a continuation of the trend towards increased reliance on softwood logs for plywood, lumber and dimension in that country. Manufacture of tropical hardwood products in Japan is now restricted to small quantities for high value niche markets.

Malaysian sawn lumber

Few offers for Europe

With log supply limited, forward availability of key Asian sawn lumber items - including dark red meranti, merbau, balau/bangkarai, and keruing - remains generally restricted. Exporters are making few offers in typical European specifications, and CIF prices of many items have continued to rise. With demand generally sluggish in the key European markets, European importers interest in the forward market has remained confined. The situation has not been helped by the intense competition in the sapele import trade in north-western Europe, which has put downward pressure on prices for landed stock of this key competitor.

More products diverted to regional markets

A larger proportion of Malaysian lumber products are being diverted to other parts of the world. For example, with supplies of Indonesian merbau becoming more difficult, Thai flooring manufacturers are now looking for more Malaysian merbau strips. Greater volumes of shorts are being diverted to Malaysian domestic manufacturers, while South Africa is taking larger volumes of strips.

There is still no sign of any upturn in the Dutch market for meranti sawn lumber. The immediate problem is the drawn-out economic downturn in the country which has reduced demand for all wood products. A longer term problem may be structural changes in the industry which have left too many importers chasing a shrinking market.

Plenty of landed stock in the Netherlands

Reports indicate plenty of landed stock in the important window frame dimensions such as 3x5", but very little demand. Competition for onward sales to end-users is as fierce as ever, with products continuing to be offered at well below replacement value as importers struggle to maintain cash flow.

There are reports of a change in the Dutch merbau market in recent weeks. For a long time, there have been reports of unsatisfied demand in the country due to tight restrictions on availability and high FOB prices. However, it seems that Asian shippers have now consigned reasonable volumes to the Dutch market, which are sufficient to meet current levels of demand.

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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’

	Mar	*Apr*	*May*
1”	925	920	940
2”	955	955	980
2.5”	980	1000	1015
3”	1000	1010	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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Therefore there may be a short term fall in forward buying of this product.
And unlike the Dutch window frame market, there are reports of continuing good demand forAsian anti-slip decking products in the Netherlands. Stocks are not particularly high and there remains scope for further price rises.

The smaller UK market for meranti sawn lumber, mainly tembaga, has been more consistent. Overall volumes traded are now well down on previous years, but there continues to be some regular buying. Rising public sector interest in verified legal and certified wood is beginning to be converted into improved demand for timber certified by the Malaysian Timber Certification Council. The relatively low premiums of around 3% to 5% required for MTCC certified wood, combined with lack of availability of alternative certified African hardwoods, have been a major factor contributing to market interest in the product. However, this situation may be about to change, with several major players in the market now launching product lines of "verified legal" African sapele.

China posts more gains

Unsurprisingly perhaps, China's imports of wood products for the first quarter of this year have posted nothing but positive increments, as compared to the same period in 2004. Despite a minor decrease in the volume of its imports of sawn hardwood lumber, the value of imports of all wood products increased over the period. Overall for the January to March 2005 period, China imported some $1.2 billion worth of logs, lumber, plywood and veneer, of which around $825 million was accounted for by hardwood and around $375 million was accounted for by softwood logs and lumber, in addition to small quantities of softwood plywood and veneer. This compares to the same period in 2004 when total wood product imports reached just over $1 billion comprising around $721 million of hardwood products and $315 million of softwood products. Therefore in value terms, China's imports of hardwood products are growing more quickly than its imports of softwoods.

Hardwood log imports up 20%

This was particularly relevant for hardwood logs, which saw an increase of 20% in value. This substantial increase can, in part, be attributed to China's development of its own exports of primary wood products. China is shipping increasing amounts of sawn hardwood lumber and mouldings in American species back to the United States and hardwood veneer in various species to markets around the world.
This year, while imports of hardwood logs from Malaysia - China's main supplier - have apparently declined, greater volumes of hardwood logs have been imported from Russia, Papua New Guinea and West Africa. The decline in imports of "Malaysian" logs may also be partly explained by the recent crackdown by the Indonesian government on illegal log exports, notably merbau from the Indonesian state of Papua. It is believed that significant volumes of illegal Indonesian logs were previously entering China under the guise of Malaysian product.
In sawn hardwood lumber, the United States remained the number one supplier by value to China during the first three months of this year and posted an 8% increase on the same period in 2004. However in volume terms, Thailand is currently China's largest supplier of hardwood lumber, overtaking Indonesia during the first quarter of 2005.

China wood products imports

	2004 Year million US$	2004 Jan-Mar million US$	2005 Jan-Mar million US$	% change	2004 Year 000 m3	2004 Jan-Mar 000 m3	2005 Jan-Mar 000 m3	% change
Softwood logs								
RUSSIA	1049.86	239.54	282.97	18	14760.24	3702.49	3886.83	5
NEW ZEALAND	78.79	10.57	10.92	3	834.87	121.94	110.60	-9
AUSTRALIA	10.99	2.24	1.78	-20	128.95	27.54	24.55	-11
CANADA	6.55	0.56	3.05	441	49.96	3.58	25.54	613
U.S.A.	8.89	1.53	3.30	115	29.15	4.53	13.39	195
OTHER	10.81	2.86	2.17	-24	158.75	42.98	38.31	-11
TOTAL	**1165.89**	**257.30**	**304.20**	**18**	**15961.92**	**3903.06**	**4099.21**	**5**
Hardwood logs								
MALAYSIA	417.00	95.39	71.18	-25	2720.66	633.44	480.26	-24
GABON	165.90	38.15	43.64	14	632.53	158.01	142.61	-10
RUSSIA	255.57	60.48	78.78	30	2201.30	538.09	639.27	19
PAPUA NEW GUINEA	169.40	38.87	66.59	71	1314.70	340.14	482.70	42
EQUAT. GUINEA	66.69	15.26	25.78	69	304.70	77.83	112.79	45
CONGO REPUBLIC	120.44	26.20	30.38	16	488.31	118.41	123.30	4
MYANMAR	97.66	27.36	39.84	46	995.73	335.96	405.11	21
GERMANY	59.27	13.15	18.54	41	338.38	76.12	102.02	34
U.S.A.	65.81	15.51	20.02	29	118.23	28.94	33.21	15
CAMEROON	30.97	8.40	3.56	-58	98.83	28.94	11.84	-59
SOLOMON ISLANDS	57.89	7.01	13.97	99	449.82	59.64	106.67	79
MOZAMBIQUE	27.55	6.11	14.81	143	80.45	18.59	41.76	125
OTHER	97.06	23.32	21.59	-7	538.32	131.84	102.65	-22
TOTAL	**1631.22**	**375.20**	**448.67**	**20**	**10281.95**	**2545.94**	**2784.17**	**9**
Softwood sawn lumber								
RUSSIA	78.84	14.92	24.41	64	648.70	138.18	191.35	38
NEW ZEALAND	44.69	8.20	8.19	0	215.53	40.15	36.64	-9
CANADA	55.31	11.77	13.99	19	343.13	79.26	77.90	-2
U.S.A.	20.30	5.65	2.15	-62	64.14	16.40	7.09	-57
CHILE	21.55	3.44	6.56	91	113.37	19.01	31.85	68
FINLAND	15.31	2.81	3.51	25	72.75	13.15	16.01	22
OTHER	44.72	9.56	10.35	8	242.15	57.79	59.62	3
TOTAL	**280.71**	**56.35**	**69.16**	**23**	**1699.77**	**363.94**	**420.45**	**16**
Hardwood sawn lumber								
INDONESIA	207.09	41.19	43.46	6	959.36	212.20	175.92	-17
U.S.A.	210.79	45.84	49.67	8	718.27	157.05	161.19	3
THAILAND	175.99	35.45	44.06	24	834.64	175.52	196.47	12
BRAZIL	146.08	35.50	28.37	-20	294.27	80.65	51.42	-36
MALAYSIA	87.33	19.35	20.27	5	429.12	95.70	97.90	2
MYANMAR	36.15	10.12	20.10	99	200.49	60.44	89.13	47
CANADA	34.60	7.68	4.96	-35	96.25	22.12	12.83	-42
GERMANY	18.27	4.03	3.71	-8	71.16	16.02	13.08	-18
RUSSIA	34.56	7.31	8.23	13	150.42	36.35	33.53	-8
OTHER	149.06	35.43	30.90	-13	549.90	139.60	98.33	-30
TOTAL	**1099.93**	**241.90**	**253.73**	**5**	**4303.89**	**995.66**	**929.80**	**-7**
Plywood								
INDONESIA	250.43	56.64	69.26	22	497.52	125.62	135.09	8
MALAYSIA	60.94	12.98	18.25	41	153.17	36.14	40.90	13
SOUTH KOREA	21.05	4.74	3.56	-25	38.24	9.56	6.00	-37
JAPAN	10.99	2.55	2.22	-13	27.26	3.65	2.99	-18
OTHER	40.77	4.92	8.40	71	83.65	10.93	15.20	39
TOTAL	**384.18**	**81.84**	**101.68**	**24**	**799.84**	**185.89**	**200.17**	**8**
Veneer								
U.S.A.	37.61	6.19	7.23	17	21243.23	4180.93	4096.67	-2
GERMANY	10.40	2.77	3.47	25	4706.26	1240.88	1259.24	1
MALAYSIA	10.58	2.69	2.88	7	31777.50	9353.94	7773.53	-17
TAIWAN	10.13	2.36	2.98	26	6550.21	1742.32	1615.25	-7
INDONESIA	6.72	1.22	1.01	-17	24491.80	4312.91	4258.70	-1
CANADA	5.26	1.19	1.11	-7	2939.03	697.41	635.40	-9
OTHER	28.96	6.57	7.61	16	23850.41	5808.27	6853.88	18
TOTAL	**109.65**	**22.99**	**26.28**	**14**	**115558.44**	**27336.67**	**26492.67**	**-3**

Asia

Indonesia

Illegal logging crackdown

The publication of a damning report on levels of illegal logging in the Indonesian state of Papua by the London-based Environmental Investigation Agency (EIA) and Indonesian environmental group Telapak earlier this year (see Hardwood Markets, February 2005) has stimulated a major government crackdown.

According to reports in the Jakarta Post, a two month joint operation of the National Police and Ministry of Forestry ended in early May 2005. The head of the operation, General Ismerda Lebang said his team met its target by preventing Rp 2 trillion (US$210 million) in potential losses from timber theft. He also said 173 people had been named as suspects during the operation. Ismerda said the team confiscated 80,768 logs, 20,162 cubic meters of processed timber, 850 pieces of heavy equipment, four boats, 43 trucks, 13 barges, 14 tugboats, 46 chain saws and 298 other pieces of equipment.

Ismerda stated that the case files on at least 25 suspects have been submitted to prosecutors and they will soon stand trial on charges of illegal logging. The case files on the remaining 151 suspects are still being completed. Ismerda said that unlike previous operations, the detained suspects included middle-ranking Police officers and financial backers of illegal logging, not just operators or small-scale illegal loggers.

However, the EIA/Telapak report had alleged that the operations were backed or committed by high-ranking Indonesian Military officers, working with the police and government officials. The recent operation did not lead to the arrests of any senior police or military officers. Minister of Forestry Malam Sambat Kaban said the team would now sell the confiscated timber and heavy equipment by auction, with the money going to the state.

Although the joint operation has officially ended, the team plans to set up a working group to discuss and review the regulations on the issuance of logging licenses. Shortly after completion of the operation, the Indonesian government announced that it will increase its budget for the armed forces from Rp14.7 trillion (RM6.1 billion) to Rp23 trillion (RM9.6 billion) aimed at, among others, improving the effectiveness of measures taken against illegal logging.

Despite these efforts, there is still a long way to go. Another local newspaper report in May highlights the continuing scale of illegal logging in another part of Indonesia. The report suggests that rampant illegal logging and the abuse of the regional autonomy law have caused the collapse of 58 logging companies in East Kalimantan. The report quotes a representative of the regional branch of the association of forestry companies (APHI) who claims that only 45 of 103 licensed logging companies remain in operation in East Kalimantan. Continuing large-scale illegal logging has resulted in falling average prices of logs in that province to around Rp500,000 (US$53) per cubic meter. Legal operators may only realistically make a profit if prices are at least Rp1.5 million (US$160) per cubic meter. The APHI representative said that annual supply of illegally cut logs in East Kalimantan has reached around 3 million cubic meters, as against a requirement of only 3.5 million cubic meters. A root cause of the problem was introduction of the regional autonomy law in 2000. This led to conflicts in the management of forests as each region issued regulations which contradicted those issued by the central government.

Brazil

2004 success fuels optimism

During the past five years, the Brazilian forest sector has successfully begun to consolidate its focus on foreign markets, with 2004 exports tripling to a value of $3.85 billion. The State of Paraná, which is Brazil's major wood exporting state with a 30% share of Brazilian exports of solid wood products, increased its exports three-fold from $477 million in 2000, to just under $1.2 billion last

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Brazil wood products exports

	2004 Year million US$	2004 Jan-Mar million US$	2005 Jan-Mar million US$	% change	2004 Year 000 tonnes	2004 Jan-Mar 000 tonnes	2005 Jan-Mar 000 tonnes	% change
Hardwood Sawn								
CHINA	121.10	32.90	17.82	-46	266.09	78.24	37.27	-52
FRANCE	66.05	13.79	24.69	79	139.43	32.29	45.35	40
NETHERLANDS	40.31	9.96	10.58	6	143.12	36.76	30.93	-16
HONG KONG	34.79	8.60	4.88	-43	66.89	17.07	8.80	-48
UNITED STATES	60.64	8.11	15.83	95	117.77	17.86	26.41	48
SPAIN	42.91	7.57	11.96	58	120.89	24.07	29.29	22
PORTUGAL	30.59	7.29	6.93	-5	108.22	28.74	20.54	-29
BELGIUM	32.04	6.55	9.00	37	69.59	15.44	15.91	3
DOMINICAN REPUBLIC	13.84	3.23	5.71	77	31.78	7.74	10.83	40
ARGENTINA	13.38	2.75	2.94	7	32.42	7.03	6.40	-9
TAIWAN	12.17	2.42	1.86	-23	20.70	4.32	3.11	-28
MOROCCO	2.72	1.97	0.01	-99	3.40	1.17	0.03	-97
ITALY	11.47	1.90	2.82	48	20.67	3.85	4.71	23
THAILAND	5.88	1.75	3.15	80	38.45	10.56	26.09	147
JAPAN	6.93	1.44	2.44	70	9.18	2.11	2.85	35
UNITED KINGDOM	5.46	1.23	1.19	-3	6.89	1.82	1.80	-1
VIETNAM	7.10	1.09	2.70	147	33.52	5.61	13.32	137
OTHER	36.04	7.21	11.64	61	95.35	22.19	29.05	31
TOTAL	**543.41**	**119.77**	**136.14**	**14**	**1324.37**	**316.88**	**312.70**	**-1**
Softwood Sawn								
UNITED STATES	214.64	40.61	52.76	30	516.30	115.16	128.81	12
SPAIN	15.73	4.37	3.25	-26	57.12	16.69	10.94	-34
MEXICO	8.19	1.97	2.29	16	29.13	8.10	7.67	-5
CHINA	5.25	1.88	0.82	-56	19.43	7.21	2.83	-61
MOROCCO	10.30	1.76	2.48	41	41.46	8.21	8.16	-1
OTHER	40.37	8.39	7.90	-6	105.64	23.34	15.50	-34
TOTAL	**294.48**	**58.98**	**69.50**	**18**	**769.08**	**178.70**	**173.91**	**-3**
Hardwood Veneer								
UNITED STATES	23.63	4.48	8.94	99	54.46	10.48	21.68	107
ARGENTINA	4.21	0.78	1.25	60	3.13	0.63	0.82	31
SPAIN	3.39	0.75	0.90	21	4.17	0.73	1.19	64
CHINA	3.44	0.47	0.74	58	1.32	0.19	0.17	-9
PORTUGAL	2.85	0.35	0.87	148	4.33	0.55	1.39	155
VENEZUELA	1.33	0.32	0.64	97	2.84	0.68	0.90	33
OTHER	9.96	2.06	1.88	-8	9.07	2.61	1.51	-42
TOTAL	**48.81**	**9.21**	**15.22**	**65**	**79.32**	**15.86**	**27.67**	**74**
Softwood Veneer								
SPAIN	2.10	0.41	0.49	22	2.98	0.76	0.81	6
UNITED STATES	1.71	0.34	0.65	88	4.84	1.14	1.53	34
OTHER	2.38	0.57	0.23	-60	8.23	2.50	0.56	-77
TOTAL	**6.19**	**1.32**	**1.37**	**4**	**16.05**	**4.40**	**2.90**	**-34**
Hardwood Plywood								
UNITED STATES	117.08	23.25	20.44	-12	218.39	51.21	37.96	-26
UNITED KINGDOM	71.58	12.68	15.06	19	115.41	24.71	24.46	-1
PUERTO RICO (U.S.)	25.24	5.67	4.17	-26	37.27	8.94	5.53	-38
BELGIUM	20.29	3.76	5.74	52	34.62	7.31	10.38	42
ITALY	14.67	2.48	3.93	58	25.10	4.57	5.74	26
GERMANY	13.08	2.37	2.08	-12	21.36	4.34	3.07	-29
IRELAND	10.12	2.15	1.31	-39	18.71	4.59	2.45	-47
GREECE	2.26	1.14	0.20	-82	4.15	2.33	0.33	-86
NETHERLANDS	4.60	1.10	0.58	-47	7.13	2.11	0.78	-63
MEXICO	6.88	0.94	2.31	147	11.53	1.79	3.42	91
OTHER	46.26	7.43	13.07	76	76.66	14.11	21.10	50
TOTAL	**332.08**	**62.97**	**68.90**	**9**	**570.31**	**126.01**	**115.22**	**-9**
Softwood Plywood								
UNITED STATES	260.41	51.82	64.40	24	542.45	108.31	153.98	42
UNITED KINGDOM	80.11	18.01	22.44	25	167.63	41.71	47.06	13
BELGIUM	53.01	9.57	14.06	47	116.24	22.61	29.62	31
GERMANY	43.25	9.54	9.93	4	91.17	22.07	21.41	-3
IRELAND	19.60	5.74	5.19	-10	41.42	13.65	10.57	-23
ITALY	19.56	4.81	4.08	-15	38.76	10.37	8.52	-18
MEXICO	12.48	2.66	3.13	18	27.06	6.44	7.00	9
PUERTO RICO (U.S.)	19.86	2.35	4.03	71	34.41	4.63	7.59	64
JAMAICA	8.82	1.32	0.54	-59	16.67	2.98	1.04	-65
OTHER	44.45	8.87	8.65	-2	84.51	18.39	16.28	-11
TOTAL	**561.55**	**114.69**	**136.47**	**19**	**1160.31**	**251.17**	**303.08**	**21**

Brazil

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year.
This dramatic increase has sparked some major optimism in the Brazilian forest sector and for 2005, ABIMCI (the Brazilan wood manufacturer's association) predicts a 20% increase in exports of solid wood products. Furthermore, a 7% increase in forest sector revenues is forecast. Currently, these amount to around $18 billion a year, of which around 80% is generated from sales in the domestic market.

The rapid expansion of Brazil's forest products sector has meant more producers are now seeking to develop less traditional markets for Brazilian hardwoods around the world. Today, many more Brazilian exporters are engaged in the Middle East and other part of Asia, with products already reaching Saudi Arabia and Egypt in significant volumes. This diversification of trade is likely to expand in the coming years.

2005 starts well enough

Despite a 1% decrease in the tonnage of exports of sawn hardwood during the first three months of this year, as compared to the same period in 2004, the value increased by 14%, to reach a little over $136 million. This underlines the fact that dollar prices for Brazilian hardwoods have continued to firm over the past twelve months, as global demand for tropical hardwoods has been steadily increasing and certain limitations on supply from other tropical producer regions have forced importers to turn to Latin America. In addition, Brazil's traditional sawn hardwood export destinations have shown mixed results for the first quarter of 2005, with exports to both China and Hong Kong declining considerably, while exports to western Europe and to the United States have more than made up the shortfall. This shift is also partially responsible for the overall increase in the value of exports, despite a minor decrease in tonnage, as Brazil's exporters have been able to focus more on smaller quantities of higher value exports.

Hardwood veneer exports from Brazil for the January to March period posted substantial gains on the same period in 2004, with the value reaching over $15 million, a 65% increase. The United States – Brazil's top wood product importer – took the majority of this increase to supply the increasing demands of its robust construction sector. At the same time, hardwood plywood exports from Brazil also increased in value, but not to the United States, which is focusing more on supplies from Indonesia.

North America

US domestic market

Economy still strong

Despite a one-quarter percent increase in interest rates on May 3, few expect any immediate slowdown in the US economy and, as if to underline this, housing starts and sales are still at record levels. For the first quarter of this year, US GDP growth hit 3.3%, below last year's 4.4% for the same period, but still about equal to the average for the past three decades.

Mixed hardwood market

Overall, hardwood lumber production is down on the same period last year, as most producing regions have experienced a wetter than normal winter and continue to be dogged by a wet spring. Furthermore, a number of sawmills remain closed due to low profitability and, in some cases, a lack of logs. Market commentators continue to quote mixed market conditions for all North American hardwood species, with results based almost entirely on the species and grade in question.

At the less positive end of the spectrum, red oak presents significant challenges, due to fundamental changes in demand for 4/4 No.1 Common and contraction by the strip flooring industry, which has all but killed consumption of 4/4 No.2A & 3A. Sawmills and concentration yards are facing difficulties selling the full run of developing production. Prices have been undermined in core business activity, and at the extreme opposite end of the spectrum are uncharacteristically low. Meanwhile, hard and soft maple represent the US hardwood market's brighter side. While mills are able to sell all they produce and more, warmer temperatures are forcing procedural changes for loggers, mills and green lumber buyers to minimize the risk of stain in logs and lumber and to quickly run through maple log decks and ship production. However, contacts agree that there are increasing instances of the part of buyers to ensure that receipts do not exceed handling capabilities. Overall, however, this seasonal transition is unlikely to undermine the strength in demand for the maples.

Opportunities for species other than red oak

While mills have been making efforts in recent months to steer away from over-producing red oak, other species have been benefiting from increased availability. Not only is this cited as a major factor for increased maple supplies, but also as a reason for better availability of cherry. Furthermore, an increasing number of mills are anxious to develop their own production of walnut, which continues to draw a great deal of interest in the domestic market. Demand for tulipwood has improved in recent months, as has overall demand for the dimension market, as well as for cants, crossties and other industrial timbers.

Strong demand for hardwood imports

The first quarter of this year has shown no let up in demand for imported hardwoods with increases in the volumes and values of

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US hardwood imports

	2004 Jan-Mar	2005 Jan-Mar	% chg
Hardwood lumber (1000 m3)			
Canada	286.6	266.1	-7.2
Brazil	34.7	51.9	49.6
Peru	9.7	12.0	23.7
Germany	7.5	8.5	13.3
Ghana	6.8	8.5	25.0
Malaysia	7.4	8.2	10.8
Ivory Coast	3.7	5.8	56.8
Indonesia	4.7	5.6	19.1
Bolivia	5.1	5.3	3.9
India	0.5	4.0	700.0
Cameroon	4.2	3.4	-19.0
China	1.2	2.8	133.3
Chile	1.8	2.1	16.7
Argentina	6.9	1.9	-72.5
France	0.3	1.2	300.0
Guyana	1.0	1.1	10.0
Lithuania	0.2	0.3	50.0
Spain	0.6	0.2	-66.7
Other	48.1	71.1	47.8
Total	**431.0**	**460.0**	**6.7**
Hardwood plywood (US$ million)			
China	58.7	103.0	75.5
Canada	43.9	55.9	27.3
Indonesia	47.1	53.5	13.6
Malaysia	43.3	43.3	0.0
Russia	30.9	35.5	14.9
Brazil	27.7	29.0	4.7
Germany	9.3	5.5	-40.9
Ecuador	5.7	5.2	-8.8
Taiwan	4.9	4.5	-8.2
Thailand	3.0	4.3	43.3
Finland	3.1	3.4	9.7
Italy	1.3	1.6	23.1
Guyana	1.7	1.3	-23.5
Ghana	1.0	0.5	-50.0
Other	7.4	11.5	55.4
Total	**289.0**	**358.0**	**23.9**
Hardwood veneer (US$ million)			
Canada	53.0	48.2	-9.1
Brazil	2.9	6.4	120.7
Italy	4.3	5.0	16.3
Germany	4.7	4.7	0.0
Ghana	3.3	4.6	39.4
China	2.4	3.9	62.5
Ivory Coast	0.7	1.7	142.9
France	1.3	1.6	23.1
Gabon	1.6	1.6	0.0
Spain	2.1	1.4	0.0
Mexico	1.0	0.7	-30.0
Russia	0.1	0.1	0.0
Other	4.8	7.0	45.8
Total	**82.2**	**86.9**	**5.7**

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hardwood lumber, plywood and veneer entering the US market. While US imports of hardwood lumber from Canada have dropped by over 7% since the beginning of the year, imports from the rest of the world have increased by just under 7%. Imported hardwood plywood has benefited from even more positive growth since the start of this year, recording a 24% increase in value, up to $358 million. At the same time, imports of hardwood veneer grew by 5.7%.

Explosive growth in South American hardwood lumber imports pushed January/February hardwood lumber imports 13% above the same period in 2004. Jatoba, Spanish cedar and ipe were in very high demand in the United States, and importers and end-users struggled to procure genuine mahogany. Hardwood moulding and flooring imports were up 55% and 74%, respectively, during the first two months of 2005 versus previous year. Several North American traders reported much faster growth in their import programmes than in their levels of exports, with distribution of imported plywood and decking fuelling much of the growth.

Interest in tropical hardwoods continues to increase

No doubt at the expense of some domestic species, imports of tropical hardwood lumber grew significantly during the first quarter of 2005, as compared to the same period last year. Imports from Brazil jumped up by just under 50%, to reach a volume of 52,000 m3, while imports from Peru, the next most important supplying country rose by around 24% to 12,000 m3. With regard to West African producers, imports from both Ghana and Ivory Coast grew significantly, while imports from Cameroon decreased by 20% over the same period. Growth in imports from Malaysia and Indonesia was less dramatic, but nonetheless significant, while imports from China – mainly US hardwood species – grew by 133% to 2,800 m3.

Adding yet another feather to its already burgeoning cap, China's hardwood plywood producers have benefited from exceedingly high demand for their product in the US marketplace during the first quarter of this year. Imports rose by over 75% to $103 million, placing China as the US's number one hardwood plywood supplier by a margin of nearly $50 million. However, while this dramatic increase has been at the expense of many other supplying countries, imports from all of America's major plywood suppliers were up on the same period last year, with the exception of Malaysia, which have remained unchanged.

US export overview

Mixed first quarter results

Overall, the first quarter of 2005 has shown mixed results for exports of US hardwood products, with log exports up by 16% to over 680,000 m3, while hardwood lumber shipments were down by just under 1% to 725,000 m3 in volume and up by 1% in value to $362 million. At the same time, veneer exports were down by around 7% over the same period last year to $111.7 million.

In part, these mixed results can be accounted for by the overall drop in the North American Hardwood Lumber Price Index (the average published price of 12 key hardwood items sold on the export market), which has fallen from $1,329 per thousand board feet in May 2004 to $1,291 per thousand board feet in May this year. This is particularly important when looking at hardwood lumber exports to the European Union for the first three months of this year, as there is a

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US hardwood exports, January to March 2004 and 2005

	2004 $ mill.	2005 $ mill.	% Chg	2004 000 m3	2005 000 m3	% Chg
World						
Logs	160.56	165.53	3.1	589.67	682.76	15.8
Lumber	358.54	362.14	1.0	730.68	724.70	-0.8
Veneer	119.73	111.66	-6.7	na	na	na
Canada						
Logs	52.81	60.10	13.8	366.19	475.60	29.9
Lumber	108.28	108.38	0.1	245.67	254.89	3.8
Veneer	37.75	38.96	3.2			
EU						
Logs	40.66	36.42	-10.4	82.49	62.41	-24.3
Italy	8.70	8.68	-0.3	30.89	26.37	-14.6
Germany	11.90	13.27	11.5	16.67	14.76	-11.5
Lumber	114.68	118.37	3.2	175.71	171.20	-2.6
Spain	4.77	3.75	-21.4	7.15	6.19	-13.4
Italy	25.78	25.80	0.1	46.68	44.54	-4.6
United Kingdom	16.28	18.93	16.3	23.11	24.27	5.0
Germany	7.90	9.57	21.1	10.59	12.55	18.5
Veneer	45.89	44.22	-3.6	na	na	na
Germany	14.65	15.94	8.8	na	na	na
Spain	12.06	10.69	-11.3	na	na	na
Italy	6.89	6.76	-1.9	na	na	na
SE Asia						
Logs	10.71	12.39	15.6	22.52	25.77	14.5
Vietnam	2.23	3.53	58.5	4.68	7.08	51.5
Lumber	17.92	21.12	17.9	38.90	46.70	20.1
Vietnam	4.67	5.99	28.3	9.87	12.76	29.3
Veneer	4.47	3.15	-29.6	na	na	na
Vietnam	0.76	0.52	-31.0	na	na	na
Greater China						
Logs	35.48	39.44	11.1	66.80	73.85	10.6
China	20.69	29.18	41.1	40.87	56.54	38.3
Hong Kong	10.96	6.86	-37.4	18.80	11.88	-36.8
Taiwan	3.84	3.40	-11.6	7.12	5.43	-23.7
Lumber	62.55	55.30	-11.6	159.77	141.24	-11.6
China	35.86	41.08	14.6	96.78	110.96	14.7
Hong Kong	19.22	9.84	-48.8	42.61	19.78	-53.6
Taiwan	7.48	4.39	-41.4	18.38	10.49	-42.9
Veneer	18.63	12.74	-31.6	na	na	na
China	9.21	6.21	-32.6	na	na	na
Hong Kong	5.99	2.69	-55.0	na	na	na
Taiwan	3.43	3.83	11.6	na	na	na
Japan						
Logs	9.04	7.18	-20.5	23.48	20.46	-12.8
Lumber	12.44	12.54	0.8	23.26	19.48	-16.3
Veneer	1.14	1.19	3.7	na	na	na
South Korea						
Logs	5.09	4.32	-15.1	10.91	11.06	1.4
Lumber	5.94	4.55	-23.4	8.99	7.70	-14.4
Veneer	1.50	0.62	-58.9	na	na	na
Mexico						
Logs	3.35	3.23	-3.7	9.11	9.13	0.3
Lumber	19.24	21.61	12.3	50.13	55.36	10.4
Veneer	4.16	5.73	37.7	na	na	na
North Africa and Middle East						
Logs	0.74	0.85	15.7	1.19	1.28	7.6
Lumber	8.23	9.31	13.1	11.21	12.69	13.2
Veneer	1.34	1.25	-7.1	na	na	na

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significant disparity between a drop in volume and a rise in value. However, if US hardwood lumber exports to Canada are removed from the equation, the situation looks far less encouraging, as total US hardwood lumber exports the drop to 469,809 m3 for the first three months of the year, a decrease of 3.2%.

Healthy business in North Europe

US hardwood lumber exports to Western Europe rose by 10% during the first two months of the year, due to growth in each of the region's five largest markets. However, March brought the onset of slowdown and brought the first quarter result down to –2.6% in volume. While the Southern EU markets saw a drop in activity overall during the first three months of the year, the Northern markets saw some major increases. Increased Italian imports of white oak, alder, cherry and ash more than offset slower sales of tulipwood, while Spanish and Portuguese demand was good, although their growth rates slowed considerably in March. Plenty of upper-grade white oak, ash and tulipwood was bound for the United Kingdom during the first three months of 2005 and German markets for hardwood lumber showed real signs of a rebound.

Many American hardwood lumber shippers, who have recently tried to enter the Chinese market, have been frustrated by their inability to develop relationships with importers and to gain sales. Chinese imports of cherry, maple, tulipwood and walnut logs rose during the first three months of 2005, versus the same period in 2004, while its lumber imports declined in those species. Overall, however, imports of hardwood lumber from the United States increased by just under 15% during the first quarter of this year, but far more dramatic was the increase seen in US hardwood log shipments to the market, which reached to over 56,000 m3, an increase of over 38% on the same period last year. There is no doubt that this shift is directly contributing to increased exports of lumber in US hardwood species back to the United States.

Elsewhere in Asia, Thai flooring, furniture and picture frame manufacturers increased their demand for a wide range of American species, as Japanese and American markets for their products gained in strength. White oak exports to Japan increased, and long-time participants in the Japanese market continued to report good sales of tulipwood, ash and maple. However, the statistics show the wider picture, which is one of significantly falling hardwood sales to the country. In Vietnam, exports of both US hardwood logs and lumber continued to rise considerably during the first quarter of this year to feed the ever-increasing number of hardwood product manufacturers. Conversely, US hardwood lumber exports to Taiwan and South Korea fell with their shrinking product output. Activity in the other major Southeast Asian markets- Indonesia, Malaysia and the Philippines- remained fairly steady during the period.

Red oak exporters shift to Middle East

Poor red oak demand in the domestic market, coupled with sluggish demand in Asia and many other parts of the world drove many exporters to the red oak-hungry Middle East to look for business. Buyers in Saudi Arabia and the United Arab Emirates purchased a fair amount of red oak along with some ash and soft Maple during the first part of this year. However, "overcrowding" in those markets has forced some sellers to look at the less buoyant Israeli, Lebanese and Egyptian markets. Overall, US hardwood lumber shipments to the Middle East rose by 13.2% in volume and 13.1% in value during the first quarter of this year, as compared to the same period in 2004.

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 orgin. These prices are shown only to highlight trends over time.
*One cubic meter is equivalent to 423.8 BF or 0.4238 MBF

	Mar	Apr	May
$/£	1.89	1.90	1.81
$/Euro	**1.30**	**1.29**	**1.23**
Red oak			
1"	2080	2080	2000
1.25"	2275	2300	2300
1.5"	2350	2350	2350
2"	2725	2725	2825
White oak			
1"	1750	1750	1800
1.25"	1900	1900	2000
1.5"	2450	2450	2475
2"	3000	2950	3050
Ash			
1"	1325	1375	1375
2"	1725	1725	1750
Tulipwood			
1"	1000	1000	1075
1.25"	1050	1050	1090
1.5"	1100	1100	1125
2"	1150	1150	1175
Cherry (Pennsylvania)			
1"	3550	3550	3675
1.25"	3700	3700	3850
1.5"	4000	4050	4075
2"	4100	4250	4200
Hard Maple (North US, No 1 & 2 White)			
1"	2965	3150	3150
1.25"	3250	3250	3250
1.5"	3520	3400	3400
2"	3600	3550	3650
Walnut			
1"			2975
1.25"			3250
1.5"			3450
2"			3950

US species notes

- **Alder**: exports of alder lumber have gone from strength to strength in recent months and during the first quarter of this year rose by 50% to reach over 81,000 m3. Alder exports are well on track to top the record export levels seen in 2004.
- **Ash**: market conditions for ash have not changed drastically from past reports. Much of the activity for this species is between buyers and sellers with longstanding relationships. However, a slight surplus of production continues to keep prices soft, with demand from end-users in the domestic market only fair. In export, the first three months of this year have shown an 11% decrease in ash lumber shipments worldwide and this is probably partially accounted for by weakened demand for Nos. 1 and 2 Common for furniture manufacturing in China.
- **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**: as has been reported, cherry continues to enjoy great popularity with domestic consumers. The Furniture Styles/ Material Use Survey conducted by the Appalachian Hardwood Manufacturers, Inc. at the International Home Furnishing Market in High Point, NC, showed cherry as the top species displayed in bedroom and dining room groups, encompassing 16% of all furniture shown in these groups. This percentage is substantial, when considering that hard maple accounted for 10% of the hardwood species mix. Despite the popularity of this species, prices for cherry have not advanced for some time. In fact, contacts report that since an abundance of cherry is available to the marketplace, prices are experiencing downward pressure. Contacts report that sawmill production of this species is high as mills continue to avoid cutting red and white oak as much as possible. In export markets, cherry lumber has seen a 5.5% fall in shipments during the first three months of this year, while log shipments have risen by over 18% during the same period. Increased US hardwood log exports to China is partially accountable for this.
- **Hard maple**: one of the principle concerns reported by industry contacts involved in processing of hard maple is maintaining the quality of both logs and lumber, as weather conditions begin to heat up. Most green lumber markets are taking steps to prevent

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North America

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problems from occurring by controlling inbound shipments, so lumber can be processed promptly and properly when it is received. Despite this seasonal concern, however, demand for hard maple continues to soar in the domestic market, while in export, there is little change during the first three months of this year, as compared to the same period in 2004.

Soft maple: as prices for hard maple have steadily increased, and truly unselected hard maple is reportedly harder to find, soft maple continues to be a popular choice for end-users. “Whitewoods” are still the consumer’s choice for appearance wood applications, keeping soft maple demand high and maintaining upward pressure on prices. In export, there is little change on the first quarter of 2004, but increased activity has been seen in some Middle Eastern markets.

Red oak: overall supply and demand for red oak are no longer well-matched in the US domestic market and production is continuing to exceed supply in the lower grades, despite the efforts of many mills to switch to alternative species. In export, red oak lumber has seen a 2.5% decrease in volume leaving the US during the January to March period, while demand in the Middle East – especially Saudi Arabia – has been very strong. It seems that those market analysts who predicted a significant downturn in exports of red oak were right to do so, as its markets are being undermined by demand for European oak and white oak in the European furniture consuming markets. Demand is likely to remain much more settled in Mexico and the Middle East, but red oak’s dominance could come under increasing pressure from other species, as importers and manufacturers diversify their portfolios.

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 part of this year. However, the continuing increase in price for this species, coupled with difficulty in supply could mean that more end-users turn to Europe for their needs.

Tulipwood/yellow poplar: reports from contacts throughout the Eastern United States describe strong demand tulipwood. Mills and yards are operating with lower inventories, which are allowing them to be more selective on orders taken. By and large, added services for sorting widths, length and/or colour are now elective for most sellers and carry appropriate charges rather than being necessities to sell the product. Contacts say activity has gained momentum for No.1 Common, due, in the main, to China’s increased presence in the marketplace. Conversely, the domestic market is fuelling energy for the upper grades, as moulding and millwork houses are stepping up activity leading into peak construction season. In export markets, with the exception of China, sales of tulipwood have started weakly this year, with a 17.5% reduction in lumber exports being recorded for the first three months of the year.

Walnut: demand for walnut continues to be strong, both in the US and in export markets. Production and demand are equally matched for the moment, but the reported increase in cutting walnut indicated by certain mills who normally focus on oak, could bring them out of line. Demand in Europe and China for walnut remains strong and is unlikely to weaken through the course of this year.

Middle East

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Arabia is mostly dependent on its oil revenues, the government has found itself with a glut of funds. The result of all this has been internal investment on a large scale, where construction is now at a level never seen before. From a record revenue of SR400 billion ($111.1 billion), the government is committing SR54 billion ($15 billion) this year to new and continuing investment projects. SR15.6 billion will be spent on roads and ports, SR14.7 billion on schools and universities and SR4.6 billion on hospitals and healthcare centres and the 2005 budget projects a 40% rise in spending on job creation, education and housing. New schools, hospitals, commercial buildings, sports facilities and private houses are going up all over the Kingdom and little expense is being spared in how they are finished and which products are selected. More construction has led to a greater requirement for furniture, joinery, kitchens and flooring and Saudi Arabia has a number of large, modern manufacturers, who specialise in one or more of these end-user sectors.

Imports of sawn hardwood lumber into Saudi Arabia (for almost no logs are imported), are estimated to have reached around 125,000m3 in 2004. This figure may not seem particularly impressive, but when compared to the previous year – around 30% less – it underlines the growing importance of the market in the region. Accurate import statistics are hard, if not impossible, to come by, but of this total, it is estimated that roughly 40,000m3 would have been accounted for by meranti (light and dark) from Malaysia and 25,000m3 by species from Africa, including wawa, iroko and sapele. This leaves about 20,000m3 of beech, mainly from Romania, where a number of Saudi business groups own sawmills, and 40,000m3 of hardwood species from North America. Of the latter, roughly 30,000m3 were imported directly from the United States and the rest from Canada and Europe.

Red oak still in demand

Unlike in many other markets of the world, especially Europe, red oak is favoured by Saudis for kitchen cabinets, furniture and interior joinery. This stems from a fashion started by the arrival of US forces into the Kingdom in the 1970’s and 1980’s, who built using red oak in substantial quantities. Today, red oak and other North American species play a very significant role in the market and red oak would have accounted for about 75% of the 40,000m3 of North American hardwoods shipped to the Kingdom last year.

In the past three years or so, the construction of a large number of massive shopping malls has taken place in Saudi’s major cities. As international shop chains have moved into these malls, their global image has come with them and this includes, in many cases, a floor in hardwood. The fashion has spread fast and, now, many Saudi’s prefer to have a few rooms in their houses with wood, rather than marble, floors. A few interior contractors now provide a full sourcing and installation service and import finished or semi-finished strip flooring from the United States, Canada and Europe. Furthermore, this developing fashion is not confined to Saudi Arabia and the fact that most of the major European flooring manufacturers have set up offices in the Gulf, attests to this.

Slowly moving into the modern era

Further to Saudi Arabia’s burgeoning economy, is the country’s slow, but steady movement into modern times. The Kingdom has many archaic (some would say medieval) ways of going about its business and is not without its internal problems, as a result. However, landmark elections have been taking place across the country in February and March this year, marking its first foray

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into future democracy. In addition, religion is beginning to play a lesser role in society, with more students taking up vocational studies which will allow them to break into the country's employment market. In short, Saudi Arabia is becoming more progressive everyday, as it begins to tackle the realities of the outside world. However, it is not without some very persistent internal problems and the December 2004 attack on the US Consulate in Jeddah is just one example. Islamic terrorist activity is ever-present in the background and one can only hope that, as the country moves further into the 21st Century, this will be kept under control and, eventually, disappear altogether.

UAE, highly competitive market

Sawn hardwood lumber exports to the UAE reportedly reached record volumes last year and market commentators predict that these figures will continue to rise through 2005. The market for hardwoods is growing rapidly and, as in Saudi Arabia, hardwood species and products from all over the world compete for market share. At a glance, the UAE would seem to provide the ideal market for high quality hardwoods, where high numbers of luxury hotels and residential developments, offices and shopping malls are being built every year. However, the market is so price-conscious and there are so many traders importing hardwood, that the competition is intense and marketing practises can be cutthroat. One result of this intense competition and fierce competition in the market is that imports from China and other, competitive, Asian suppliers is increasing rapidly. The "wood look" is very much in fashion and high value species, such as American cherry and walnut are highly desirable and seem to feature in many of the country's new developments. However, more often than not, the American hardwood surface is imported from China as fancy plywood, or even sawn lumber.

Traders poised for increased access to Iraq market

Hardwood importers and traders around the Middle East are ready and waiting for the Iraqi market to open up to imports. Jordanian and Saudi hardwood importers have already set up trading offices in Baghdad, awaiting the day when imports are allowed and trading conditions become viable. Market commentators around the region all agree that Iraq will, one day, present a huge market for hardwoods, as it is a large, wealthy country, with a population of over 25 million and a lot of rebuilding to do.

European hardwoods

France

High demand for oak logs could lead to shortages

With the season for log purchasing practically over, the market for French oak logs has picked up substantially over the past few weeks. Fewer logs have been sold this season, partly due to the cancellation of many auctions because of deep snow and cold weather during February and March. So while, demand has been rising, the availability of oak logs on the market has come under increasing pressure. This, as some sawmills fear, could lead to bottlenecks in the supply chain over the coming months and this is not helped by the many French sawmills who have switched their production from beech to oak, to make the most of current market conditions. Another factor limiting the supply of oak logs in the domestic production chain is the undiminished demand for French oak in China, Poland and Indonesia, particularly for the flooring sector, which is showing no signs of a let up. Furthermore, domestic demand for oak logs has improved this year, particularly from barrel stave manufacturers, who can no longer rely on the huge stocks of logs built up by hurricane Lothar in 1999. Market commentators, therefore, predict that in order to ease the situation as quickly as possible, this year's cutting season will get off to an early start.

In complete contrast to France's oak production, beech harvests have been particularly low this season, due to weak demand. Spain, formerly a strong market for French beech of A/B quality, has proved extremely weak so far this year, while the lower grades continue to be met by stable demand from the pallet sector. At the same time, demand from stair manufacturers remains stable for the very best grades of beech.

Alongside oak, other European species are being met with continually strong demand and sales of both cherry and ash have picked up significantly during the past two months or so. Brown ash, in particular, is moving well, as it suits the current trend towards darker species and is un use for flooring and interior joinery. At the same time, demand for European maple has remained largely unchanged.

Reports from within the French hardwood sector suggest that high demand for oak has led to price increases of between 10 and 20% for the lower grades, while the upper grades have remained stable. Ash is achieving 5-10% increases on sales one year ago, while average prices for cherry logs are about 20% higher than during the 2003/2004 season. All this while prices for beech at all grades and of all sizes remain at a consistently low level.

Sawn oak market recovers

According to market analysts, the market for sawn hardwood in France has clearly recovered during the past weeks. This is particularly relevant for the higher grades of oak boules, which are being met by high demand. Sales of all sawn oak have improved on the domestic market, as compared to this time last year, and exports have also picked up, resulting in an increasing number of French mills cutting oak, rather than beech. Demand for sawn oak from neighbouring EU countries has expanded significantly in recent months and higher volumes have been shipped to Germany, Spain and the UK.

The more than satisfactory growth in demand for sawn oak, both domestically and abroad in is in complete contrast to beech, which is continually dogged by declining demand and a lack of interest. Market commentators even go so far as to suggest a current drop in demand for beech in comparison to the same period last year. Exports of beech are also down and the traditional markets, such as Spain and Romania have shown very little interest in French beech in recent months. At the same time, demand for French sawn beech lumber in France is almost insignificant.

Germany

Riding the oak fashion wave

Exports of sawn oak from Germany in 2004 posted a 33% increase on 2003 and this trend has continued through the initial months of this year. Significant growth in demand from EU countries has been the major influencing factor and market commentators predict that 2005 will be just as promising. In contrast, sawn oak exports to China did not increase last year, while Indonesia became Germany's most important volume export market for sawn oak.

In terms of sawn beech, the picture is one of a continued declining interest in most EU markets, while, conversely, exports to the United States, the Middle East and India picked up considerably last year. These rises, however, did not make up for the overall shortfall in export sales and total sawn beech exports declined by some 6% last year, as compared to 2003.

Belgium imports 2003 and 2004

	Value 000 euro 2003	Value 000 euro 2004	% chng	Weight tonnes 2003	Weight tonnes 2004	% chng
Oak logs						
FRANCE	10928	12395	13	246805	266543	8
GERMANY	728	1108	52	18583	21330	15
NETHERLANDS	894	935	5	4120	4118	0
LUXEMBOURG	569	302	-47	21413	16637	-22
ROMANIA	84	245	192	149	395	165
OTHER	942	930	-1	1246	1301	4
TOTAL	**14145**	**15915**	**13**	**292316**	**310324**	**6**
Beech logs						
FRANCE	10644	16288	53	401136	569657	42
GERMANY	1536	2948	92	35809	35824	0
BELGIUM	23	1731	7426	14	312	2129
LUXEMBOURG	2062	1386	-33	92299	64094	-31
NETHERLANDS	412	432	5	2524	2341	-7
OTHER	178	122	-31	429	532	24
TOTAL	**14855**	**22907**	**54**	**532211**	**672760**	**26**
Birch logs						
FRANCE	2238	1503	-33	105096	68300	-35
GERMANY	1396	1238	-11	44115	39411	-11
NETHERLANDS	873	562	-36	23522	17203	-27
LUXEMBOURG	347	300	-14	11672	10640	-9
AUSTRIA	21	8	-62	604	199	-67
OTHER	33	4	-88	63	48	-24
TOTAL	**4908**	**3615**	**-26**	**185072**	**135801**	**-27**
Poplar logs						
NETHERLANDS	3390	4040	19	104759	123572	18
FRANCE	2982	2760	-7	142550	119343	-16
GERMANY	694	642	-7	18924	15561	-18
LUXEMBOURG	52	55	6	2209	2734	24
SLOVAKIA	0	5	na	0	16	na
OTHER	17	0	-100	66	0	-100
TOTAL	**7135**	**7502**	**5**	**268508**	**261226**	**-3**
Logs of tropical species identified by Eurostat (a)						
CONGO DEM. REP.	308	2851	826	744	6163	728
CAMEROON	1249	2356	89	3148	4389	39
FRANCE	2538	1868	-26	8490	7380	-13
GABON	1462	1621	11	4878	5115	5
NETHERLANDS	1103	1266	15	2203	3648	66
OTHER	1930	2009	4	2461	2839	15
TOTAL	**8590**	**11971**	**39**	**21924**	**29534**	**35**
Other hardwood logs (b)						
FRANCE	3551	3341	-6	136457	100792	-26
CONGO DEM. REP.	1913	2631	38	1940	3622	87
NETHERLANDS	1166	1039	-11	34222	24041	-30
GERMANY	758	659	-13	9042	6284	-31
GABON	181	520	187	682	1931	183
OTHER	1591	831	-48	22050	4005	-82
TOTAL	**9160**	**9021**	**-2**	**204393**	**140675**	**-31**
Sawn lumber of tropical species identified by Eurostat (a)						
MALAYSIA	54862	51192	-7	73041	69727	-5
CAMEROON	26320	28627	9	38544	40965	6
NETHERLANDS	10441	10222	-2	16532	15722	-5
BRAZIL	3788	7295	93	7456	14521	95
FRANCE	6728	6239	-7	10114	9075	-10
OTHER	20551	19588	-5	27181	25591	-6
TOTAL	**122690**	**123163**	**0**	**172868**	**175601**	**2**
Oak sawn lumber (high value) (c)						
FRANCE	17159	17997	5	30449	30811	1
U.S.A.	15413	12463	-19	18634	15538	-17
GERMANY	4072	5157	27	6075	10066	66
NETHERLANDS	2665	3918	47	3069	4232	38
POLAND	3009	3897	30	5535	6152	11
OTHER	9160	8467	-8	16216	15156	-7
TOTAL	**51478**	**51899**	**1**	**79978**	**81955**	**2**
Oak sawn lumber (low value) (c)						
AUSTRIA	0	79	na	0	230	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
OTHER	0	0	na	0	0	na
TOTAL	**0**	**79**	**na**	**0**	**230**	**na**
Beech sawn lumber (high value) (c)						
NETHERLANDS	622	712	14	919	875	-5
SLOVENIA	765	559	-27	1074	783	-27
ITALY	480	500	4	820	734	-10
BOSNIA & HERZ.	343	353	3	950	690	-27
CROATIA	332	280	-16	763	631	-17
OTHER	1552	1303	-16	2750	2111	-23
TOTAL	**4094**	**3707**	**-9**	**7276**	**5824**	**-20**
Beech sawn lumber (low value) (c)						
GERMANY	2938	4610	57	14204	16271	15
FRANCE	3727	3534	-5	18053	15738	-13
CZECH REPUBLIC	0	13	na	0	51	na
U.K.	0	4	na	0	14	na
...	0	0	na	0	0	na
OTHER	4	0	-100	21	0	-100
TOTAL	**6669**	**8161**	**22**	**32278**	**32074**	**-1**
Other hardwood sawn lumber (high value) (b) (c)						
BRAZIL	7169	11237	57	16360	27921	71
U.S.A.	9450	6025	-36	7306	4910	-33
CANADA	2265	3061	35	2316	2830	22
NETHERLANDS	2298	2524	10	3069	3647	19
GERMANY	1665	1998	20	2465	3990	62
OTHER	5094	4191	-18	10067	8130	-19
TOTAL	**27941**	**29036**	**4**	**41583**	**51428**	**24**
Other temperate hardwood sawn lumber (low value) (b) (c)						
LITHUANIA	8942	3497	-61	60223	23551	-61
LATVIA	3825	2980	-22	24128	19080	-21
UKRAINE	6	1019	16883	40	4945	12263
BELARUS	692	856	24	5424	6862	27
NETHERLANDS	318	436	37	1556	2166	39
OTHER	1325	1191	-10	7414	6568	-11
TOTAL	**15108**	**9979**	**-34**	**98785**	**63172**	**-36**
Planed, sanded or finger jointed lumber of Eurostat tropical pecies (a)						
NETHERLANDS	2395	2136	-11	3026	2654	-12
MALAYSIA	1517	2104	39	1293	1685	30
INDONESIA	2030	1838	-9	2127	1982	-7
GERMANY	317	558	76	322	747	132
BURMA	1107	491	-56	572	289	-49
OTHER	1399	1617	16	1416	1654	17
TOTAL	**8765**	**8744**	**0**	**8756**	**9011**	**3**

(a) Eurostat identify around 100 species as "tropical". A full list can be downloaded at http://europa.eu.int/eur-lex/pri/en/oj/dat/2001/l_279/l_27920011023en03180328.pdf
(b) Species not identified as tropical are classed as "other" by Eurostat

	Value 000 euro 2003	Value 000 euro 2004	% chng	Weight tonnes 2003	Weight tonnes 2004	% chng
Other hardwood planed sanded or finger jointed sawn lumber (b)						
ITALY	940	1360	45	255	478	87
NETHERLANDS	1061	1285	21	1097	1351	23
GERMANY	692	1128	63	631	851	35
FRANCE	440	666	51	799	827	4
CANADA	777	646	-17	433	357	-18
OTHER	3392	2310	-32	4577	2554	-44
TOTAL	**7302**	**7395**	**1**	**7792**	**6418**	**-18**
Veneer of tropical species identified by Eurostat (a)						
FRANCE	1902	1909	0	1160	966	-17
SPAIN	1617	1875	16	698	740	6
GABON	1431	1191	-17	1223	942	-23
GERMANY	1063	946	-11	254	279	10
DENMARK	657	653	-1	50	51	2
OTHER	5365	3483	-35	3365	2313	-31
TOTAL	**12035**	**10057**	**-16**	**6750**	**5291**	**-22**
Veneer of other hardwood species (b)						
U.S.A.	6473	7267	12	1789	2315	29
GERMANY	2775	4195	51	747	1205	61
FRANCE	2489	3762	51	1344	1704	27
CROATIA	2859	3059	7	769	865	12
GHANA	1826	2241	23	1578	1212	-23
OTHER	9809	9651	-2	4502	5176	15
TOTAL	**26231**	**30175**	**15**	**10729**	**12477**	**16**
Hardwood mouldings						
INDONESIA	34667	30436	-12	52215	45337	-13
NETHERLANDS	11124	12964	17	6153	7611	24
FRANCE	12945	10101	-22	8266	6121	-26
BRAZIL	5489	7287	33	11360	13525	19
GERMANY	6493	6720	3	4137	4026	-3
OTHER	26749	31918	19	18788	22182	18
TOTAL	**97467**	**99426**	**2**	**100919**	**98802**	**-2**
Plywood of tropical species identified by Eurostat (a)						
INDONESIA	69073	69655	1	113333	104576	-8
GERMANY	2495	9195	269	2942	4324	47
NETHERLANDS	7976	8122	2	8103	9304	15
CHINA	9667	7467	-23	14640	11602	-21
FRANCE	2754	3257	18	3271	2296	-30
OTHER	12060	10494	-13	20821	19447	-7
TOTAL	**104025**	**108190**	**4**	**163110**	**151549**	**-7**
Plywood of other hardwood species (b)						
BRAZIL	10917	16604	52	21164	29596	40
NETHERLANDS	8699	9274	7	7342	8407	15
CHINA	1348	7831	481	2145	11667	444
GERMANY	5084	4565	-10	5701	5669	-1
FINLAND	2246	2725	21	1954	2387	22
OTHER	6187	8730	41	8973	12448	39
TOTAL	**34481**	**49729**	**44**	**47279**	**70174**	**48**
Softwood plywood						
BRAZIL	34527	44288	28	88026	96218	9
NETHERLANDS	4180	5257	26	5586	7256	30
GERMANY	2116	2138	1	2202	3443	56
FINLAND	695	1321	90	786	1579	101
FRANCE	1532	1251	-18	1546	1430	-8
OTHER	6697	8332	24	8665	11008	27
TOTAL	**49747**	**62587**	**26**	**106811**	**120934**	**13**
Windows and frames of tropical species identified by Eurostat (a)						
GERMANY	4217	4860	15	234	253	8
BELGIUM	2105	1208	-43	111	77	-31
FRANCE	456	539	18	72	55	-24
TUNISIA	144	309	115	13	21	62
NETHERLANDS	41	208	407	19	38	100
OTHER	644	424	-34	133	120	-10
TOTAL	**7607**	**7548**	**-1**	**582**	**564**	**-3**
Windows and frames of other hardwood species (b)						
GERMANY	2371	2061	-13	200	197	-2
BELGIUM	1303	1267	-3	149	141	-5
ROMANIA	334	584	75	127	200	57
POLAND	548	559	2	217	216	0
NETHERLANDS	283	442	56	64	131	105
OTHER	1912	1412	-26	784	449	-43
TOTAL	**6751**	**6325**	**-6**	**1541**	**1334**	**-13**
Doors and frames of tropical species identified by Eurostat (a)						
GERMANY	1759	1786	2	225	245	9
CHINA	336	1101	228	224	745	233
PHILIPPINES	541	1042	93	176	435	147
FRANCE	861	716	-17	101	76	-25
NETHERLANDS	672	533	-21	332	212	-36
OTHER	877	797	-9	405	323	-20
TOTAL	**5046**	**5975**	**18**	**1463**	**2036**	**39**
Doors and frames of other hardwood species (b)						
GERMANY	12611	10466	-17	4497	2015	-55
CHINA	1698	6062	257	883	3102	251
NETHERLANDS	3324	4639	40	2077	1851	-11
FRANCE	7476	4633	-38	8544	3545	-59
SPAIN	3367	2115	-37	1600	1080	-33
OTHER	5104	6312	24	1695	2355	39
TOTAL	**33580**	**34227**	**2**	**19296**	**13948**	**-28**
Parquet panels (d)						
FRANCE	18275	18729	2	8325	8559	3
SPAIN	21248	15943	-25	14538	10656	-27
GERMANY	9326	6859	-26	8254	3149	-62
NETHERLANDS	11845	5894	-50	5003	2439	-51
CHINA	1559	4723	203	890	2758	210
OTHER	8119	15627	92	4693	9528	103
TOTAL	**70372**	**67775**	**-4**	**41703**	**37089**	**-11**
Finished wood furniture (d)						
GERMANY	169400	187841	11	50732	54708	8
NETHERLANDS	168278	160288	-5	48014	47560	-1
ITALY	144251	145306	1	19924	20875	5
FRANCE	101246	104966	4	28599	32113	12
POLAND	71829	84420	18	37085	48385	30
OTHER	292870	349561	19	118945	152227	28
TOTAL	**947874**	**1032382**	**9**	**303299**	**355868**	**17**
Wood furniture components (d)						
GERMANY	19873	14829	-25	9691	8617	-11
SWEDEN	15475	14592	-6	10295	9761	-5
ITALY	9241	8907	-4	3669	3792	3
FRANCE	7798	8717	12	5389	5107	-5
NETHERLANDS	8336	7689	-8	4067	3762	-7
OTHER	25182	27477	9	13943	16240	16
TOTAL	**85905**	**82211**	**-4**	**47054**	**47279**	**0**

data. Most of these are temperate, but some tropical species are included.
(c) "High value" is taken to include all product averaging more than 350 euro/tonne, "Low value" is all product averaging less than 350 euro/tonne
(d) Includes both hardwood and softwood products.

2004 was not a particularly buoyant year for the Belgian hardwood import trade.

While the Belgian economy performed better than others in the euro-zone last year, GDP growth rates were unexciting at 2.7%. Forecasts for the next couple of years suggest continuing sluggish growth. For example, the Economist Intelligence Unit suggests economic growth will slow to 2% in both 2005 and 2006. Domestic demand is expected to continue to grow steadily this year, but in 2005 stockbuilding will fall and in 2006 imports will rise faster than exports. Business confidence has been generally declining in the last couple of months.

Belgian trade data needs to be analysed against the background of the country's key role as a distributor of wood products – including sawn lumber, veneers and panels – to other parts of Europe. Much of the wood imported is subsequently re-exported. Patchy wood import performance in 2004 also reflects sluggish economic conditions in neighbouring countries.

For its size, Belgium is a very large importer of low grade hardwood logs, much destined for the countries important panel and paper industries.

Belgium is also a significant importer of higher grade hardwood products. 2004 saw a significant increase in Belgian imports of tropical hardwood logs, a reflection of improving production in Congo-Kinshasa.

Belgian imports of tropical sawn lumber remained steady last year in both value and volume terms. There was a slight shift away from Malaysian products towards Cameroon and Brazil. However Malaysia remains by far the largest single supplier.

Belgium imported significantly lower volumes of temperate hardwood sawn lumber from the United States in 2004. This decline was largely offset by rising imports from Germany, Netherlands, Canada, and Poland.

Belgian imports of tropical veneer fell significantly last year, while imports of temperate hardwood veneer were on the rise. There were significant increases in veneer imports from the US, Germany, France and Croatia.

Hardwood mouldings are a significant component of Belgium's hardwood imports, accounting for 100 million euros in 2004. Moulding imports from Indonesia were declining last year, to be replaced by rising imports from a wide range of other countries.

Belgian imports of finished wood furniture increased by 9% in value terms and 17% in tonnage terms, underlying the growing pressure now on Belgium's domestic wood furniture industry.

Netherlands imports 2003 and 2004

	Value 000 euro 2003	Value 000 euro 2004	% chng	Weight tonnes 2003	Weight tonnes 2004	% chng
Oak logs						
BELGIUM	28	365	1204	294	3292	1020
GERMANY	254	329	30	4593	2275	-50
UKRAINE	781	320	-59	2219	839	-62
FRANCE	56	254	354	280	736	163
LUXEMBOURG	244	80	-67	1217	380	-69
OTHER	54	48	-11	241	141	-41
TOTAL	**1417**	**1396**	**-1**	**8844**	**7663**	**-13**
Beech logs						
GERMANY	421	179	-57	5226	2395	-54
LUXEMBOURG	161	35	-78	1813	687	-62
BELGIUM	1	27	2600	27	590	2085
BOSNIA & HERZEGOVINA	1	11	1000	4	18	350
CHINA	0	0	na	0	0	na
OTHER	16	0	-100	22	0	-100
TOTAL	**600**	**252**	**-58**	**7092**	**3690**	**-48**
Birch logs						
GERMANY	99	52	-47	8603	4759	-45
BELGIUM	0	1	na	0	33	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
OTHER	18	0	-100	21	0	-100
TOTAL	**117**	**53**	**-55**	**8624**	**4792**	**-44**
Poplar logs						
BELGIUM	1539	1160	-25	31522	27632	-12
GERMANY	1117	825	-26	22829	20759	-9
FRANCE	0	22	na	0	23	na
U.K.	0	6	na	0	138	na
...	0	0	na	0	0	na
OTHER	0	0	na	1	0	-100
TOTAL	**2656**	**2013**	**-24**	**54352**	**48552**	**-11**
Logs of tropical species identified by Eurostat (a)						
GABON	4209	1661	-61	18618	7394	-60
BELGIUM	1640	1528	-7	4074	6984	71
BURMA	1116	564	-49	733	367	-50
CAMEROON	791	504	-36	1245	683	-45
VENEZUELA	8	192	2300	25	742	2868
OTHER	2085	596	-71	9193	916	-90
TOTAL	**9849**	**5045**	**-49**	**33888**	**17086**	**-50**
Other hardwood logs (b)						
GUYANA	548	387	-29	2540	1525	-40
SURINAM	617	320	-48	1813	1109	-39
MALAYSIA	321	113	-65	152	51	-66
BELGIUM	47	82	74	49	146	198
U.S.A.	64	77	20	143	142	-1
OTHER	238	305	28	645	833	29
TOTAL	**1835**	**1284**	**-30**	**5342**	**3806**	**-29**
Sawn lumber of tropical species identified by Eurostat (a)						
MALAYSIA	92937	95960	3	98164	105721	8
CAMEROON	17114	15336	-10	34887	27349	-22
BELGIUM	12731	13186	4	15138	16338	8
BRAZIL	12670	10308	-19	40280	30820	-23
GHANA	5576	5483	-2	10543	9276	-12
OTHER	15945	17422	9	19945	24040	21
TOTAL	**156973**	**157695**	**0**	**218957**	**213544**	**-2**
Oak sawn lumber (high value) (c)						
FRANCE	10426	7284	-30	18780	13703	-27
GERMANY	4124	6830	66	7564	12501	65
U.S.A.	5059	5118	1	6098	6196	2
BELGIUM	2642	2995	13	2846	2748	-3
CROATIA	2254	2267	1	3515	3617	3
OTHER	6520	3752	-42	12671	6592	-48
TOTAL	**31025**	**28246**	**-9**	**51474**	**45357**	**-12**
Oak sawn lumber (low value) (c)						
UKRAINE	3725	4445	19	12925	15704	22
CZECH REPUBLIC	1078	455	-58	3592	1394	-61
BRAZIL	0	14	na	0	60	na
BELARUS	18	8	-56	78	44	-44
...	0	0	na	0	0	na
OTHER	13	0	-100	43	0	-100
TOTAL	**4834**	**4922**	**2**	**16638**	**17202**	**3**
Beech sawn lumber (high value) (c)						
AUSTRIA	258	243	-6	353	333	-6
BOSNIA & HERZ.	429	174	-59	560	310	-45
FRANCE	247	150	-39	308	190	-38
POLAND	449	135	-70	682	265	-61
SERBIA & MONT.	193	78	-60	304	134	-56
OTHER	839	288	-66	916	438	-52
TOTAL	**2415**	**1068**	**-56**	**3123**	**1670**	**-47**
Beech sawn lumber (low value) (c)						
GERMANY	4257	3918	-8	18868	18729	-1
BELGIUM	1557	889	-43	6292	3596	-43
LATVIA	0	23	na	1	97	9600
U.K.	0	10	na	0	45	na
LUXEMBOURG	1	4	300	3	96	3100
OTHER	59	3	-95	260	9	-97
TOTAL	**5874**	**4847**	**-17**	**25424**	**22572**	**-11**
Other hardwood sawn lumber (high value) (b) (c)						
U.S.A.	8970	10026	12	6625	7541	14
CANADA	5298	7317	38	3458	4993	44
BELGIUM	1268	1521	20	986	1576	60
GERMANY	640	740	16	844	719	-15
ITALY	494	447	-10	434	295	-32
OTHER	5674	2165	-62	10924	2952	-73
TOTAL	**22344**	**22216**	**-1**	**23271**	**18076**	**-22**
Other hardwood sawn lumber (low value) (b) (c)						
LATVIA	2035	1022	-50	12842	6747	-47
BELARUS	190	457	141	1706	4284	151
LITHUANIA	1468	383	-74	10710	2769	-74
HUNGARY	6	319	5217	23	964	4091
UKRAINE	143	264	85	1018	1789	76
OTHER	885	442	-50	3874	1878	-52
TOTAL	**4727**	**2887**	**-39**	**30173**	**18431**	**-39**
Planed, sanded or finger jointed lumber of Eurostat tropical pecies (a)						
MALAYSIA	16925	20396	21	13522	15992	18
CAMEROON	8248	12273	49	25237	36358	44
INDONESIA	7543	11327	50	7322	10336	41
BELGIUM	1897	3344	76	1954	3489	79
BRAZIL	310	1994	543	654	2306	253
OTHER	1590	1005	-37	1425	764	-46
TOTAL	**36513**	**50339**	**38**	**50114**	**69245**	**38**

	Value 000 euro 2003	Value 000 euro 2004	% chng	Weight tonnes 2003	Weight tonnes 2004	% chng
Other hardwood planed sanded or finger jointed sawn lumber (b)						
BRAZIL	1089	1221	12	2991	2170	-27
FRANCE	2046	1186	-42	3009	2044	-32
SOUTH AFRICA	1186	1179	-1	2760	2997	9
SWEDEN	0	1050	na	0	2328	na
BELGIUM	942	961	2	1194	898	-25
OTHER	2578	2348	-9	4714	2594	-45
TOTAL	**7841**	**7945**	**1**	**14668**	**13031**	**-11**
Veneer of tropical species identified by Eurostat (a)						
GABON	1562	2322	49	1129	2068	83
BELGIUM	1063	664	-38	817	412	-50
THAILAND	929	641	-31	88	95	8
GERMANY	399	605	52	154	217	41
TUNISIA	0	271	na	0	103	na
OTHER	1108	441	-60	633	161	-75
TOTAL	**5061**	**4944**	**-2**	**2821**	**3056**	**8**
Other hardwood veneer (b)						
GERMANY	2464	2332	-5	676	574	-15
BELGIUM	1024	960	-6	470	342	-27
CHINA	300	630	110	74	182	146
UKRAINE	0	401	na	0	299	na
FRANCE	358	391	9	86	130	51
OTHER	1623	1214	-25	1514	1068	-29
TOTAL	**5769**	**5928**	**3**	**2820**	**2595**	**-8**
Hardwood mouldings						
INDONESIA	32504	41081	26	42697	56454	32
BRAZIL	12984	20939	61	33252	57545	73
BELGIUM	12150	10359	-15	9698	8035	-17
MALAYSIA	7564	7967	5	7897	8929	13
FRANCE	2598	2557	-2	1148	962	-16
OTHER	24930	17630	-29	18032	16855	-7
TOTAL	**92730**	**100533**	**8**	**112724**	**148780**	**32**
Plywood of tropical species identified by Eurostat (a)						
FRANCE	38159	35235	-8	24947	21744	-13
MOROCCO	0	19697	na	0	15211	na
BELGIUM	22548	18251	-19	36342	27741	-24
CHINA	10659	7527	-29	13513	10619	-21
INDONESIA	6780	4993	-26	10108	6899	-32
OTHER	26223	11583	-56	23736	12391	-48
TOTAL	**104369**	**97286**	**-7**	**108646**	**94605**	**-13**
Other hardwood plywood (b)						
FINLAND	20608	20499	-1	25776	24758	-4
RUSSIA	5104	7567	48	9318	16077	73
BELGIUM	3912	7288	86	3365	5826	73
LATVIA	4851	3550	-27	5470	3990	-27
UKRAINE	2781	3414	23	4416	6939	57
OTHER	9522	10963	15	9427	12569	33
TOTAL	**46778**	**53281**	**14**	**57772**	**70159**	**21**
Softwood plywood						
FINLAND	33703	36889	9	47068	49112	4
FRANCE	6097	7636	25	6494	8276	27
CHILE	6692	7476	12	13104	13713	5
BRAZIL	6025	4720	-22	14690	9715	-34
DENMARK	0	3601	na	0	5608	na
OTHER	9847	10712	9	15071	15548	3
TOTAL	**62364**	**71034**	**14**	**96427**	**101972**	**6**
Windows and frames of tropical species identified by Eurostat (a)						
GERMANY	5	234	4580	0	43	na
BELGIUM	189	198	5	213	128	-40
INDONESIA	55	91	65	35	65	86
CHINA	0	36	na	0	42	na
FRANCE	40	33	-18	0	0	na
OTHER	78	55	-29	13	17	31
TOTAL	**367**	**647**	**76**	**261**	**295**	**13**
Windows and frames of other hardwood species (b)						
GERMANY	1139	1005	-12	1158	911	-21
FRANCE	516	480	-7	525	377	-28
HUNGARY	397	178	-55	166	89	-46
NORWAY	154	127	-18	21	16	-24
POLAND	351	121	-66	127	23	-82
OTHER	299	237	-21	172	93	-46
TOTAL	**2856**	**2148**	**-25**	**2169**	**1509**	**-30**
Doors and frames of tropical species identified by Eurostat (a)						
INDONESIA	12335	12283	0	6834	7041	3
CZECH REPUBLIC	787	1066	35	366	522	43
BELGIUM	373	781	109	252	448	78
GERMANY	193	247	28	27	30	11
ROMANIA	94	194	106	65	94	45
OTHER	244	194	-20	103	154	50
TOTAL	**14026**	**14765**	**5**	**7647**	**8289**	**8**
Doors and frames of other hardwood species (b)						
BELGIUM	2466	8103	229	1314	5237	299
INDONESIA	4944	6344	28	3609	4719	31
CHINA	4982	4938	-1	1770	1912	8
FRANCE	413	1996	383	195	2318	1089
PORTUGAL	191	656	243	81	274	238
OTHER	5751	2728	-53	2493	1698	-32
TOTAL	**18747**	**24765**	**32**	**9462**	**16158**	**71**
Parquet panels (d)						
GERMANY	10310	9216	-11	11803	11594	-2
BELGIUM	8219	5522	-33	4423	3506	-21
CHINA	8193	5172	-37	3763	2766	-26
INDONESIA	3523	2958	-16	1738	1582	-9
LUXEMBOURG	26	2317	8812	25	3626	14404
OTHER	14420	10536	-27	7366	5909	-20
TOTAL	**44691**	**35721**	**-20**	**29118**	**28983**	**0**
Finished wood furniture (d)						
GERMANY	149330	153806	3	49673	55560	12
INDONESIA	87929	96301	10	33903	37650	11
BELGIUM	83936	80382	-4	27171	23227	-15
POLAND	103381	79421	-23	36737	124251	238
CHINA	46295	67032	45	21540	30025	39
OTHER	358252	354868	-1	158687	162219	2
TOTAL	**829123**	**831810**	**0**	**327711**	**432932**	**32**
Wood furniture components (d)						
GERMANY	10489	11750	12	2823	5107	81
BELGIUM	13522	9443	-30	6861	4716	-31
CHINA	2185	4579	110	1228	2495	103
INDONESIA	619	2561	314	529	1824	245
U.K.	2027	2298	13	313	395	26
OTHER	17469	13798	-21	8978	6910	-23
TOTAL	**46311**	**44429**	**-4**	**20732**	**21447**	**3**

(a) Eurostat identify around 100 species as "tropical". A full list can be downloaded at http://europa.eu.int/eur-lex/pri/en/oj/dat/2001/l_279/l_27920011023en03180328.pdf
(b) Species not identified as tropical are classed as "other" by Eurostat data. Most of these are temperate, but some tropical species are included.
(c) "High value" is taken to include all product averaging more than 350 euro/tonne, "Low value" is all product averaging less than 350 euro/tonne
(d) Includes both hardwood and softwood products.

The Dutch hardwood trade was very sluggish in 2004, with imports of many products down on the previous year.

Economic conditions in the country remain weak. There was only a very modest recovery in 2004, with GDP growth of 1.4%. The Economist Intelligence Unit now forecasts decelerating GDP growth in 2005 - down to 1.2% - following disappointing first-quarter national accounts figures. In quarter-on-quarter terms, GDP actually fell slightly during the period, mainly as a result of a decline in investment growth and export growth. Unemployment is high and continued to rise in February-April 2005, acting as a drag on private consumption. Construction sector activity, a major factor driving wood demand in the Netherlands, remains subdued. The Economist suggests there may be a pick up in 2006 to 2% as private consumption and investment recover.

In addition to short term economic factors, various aspects of the Dutch import data seem to indicate major structural changes in the country's hardwood trade:

- There was a 50% fall in tropical log imports – a decline in no way compensated by a rise in temperate hardwoods which suggests a significant reduction in log processing in the country.
- While imports of rough sawn tropical hardwood lumber remained static last year, there was a significant rise in imports of various categories of machined tropical hardwoods (including "planed, sanded, and finger jointed sawn lumber" and "hardwood mouldings"). Indonesia, Brazil, Malaysia, and Cameroon feature strongly as important suppliers of these products to the Netherlands.
- Overall plywood imports were down last year, but Morocco emerged from nowhere as a significant supplier. It seems that Dutch importers have turned to this source of okoume plywood as French production has declined and become less competitive, as EU imports of Chinese okoume plywood are now subject to a big import tax, and as Indonesian hardwood plywood has become less readily available.
- Dutch imports of finished wood furniture were static in value terms last year, but seemed to rise strongly in tonnage terms, particularly from Poland. The scale of the increase in Polish wood furniture imports is so great that it raises questions over the accuracy of the data. But it may be the result of a major change in trading behaviour by one of the large Dutch furniture distributors. The increase in imports of Indonesian and Chinese product also seems significant.

Portugal imports 2003 and 2004

	Value 000 euro 2003	Value 000 euro 2004	% chng	Weight tonnes 2003	Weight tonnes 2004	% chng
Oak logs						
U.S.A.	1983	2276	15	4525	5023	11
FRANCE	1752	2064	18	6484	8906	37
SPAIN	380	188	-51	702	402	-43
ROMANIA	44	40	-9	95	127	34
DENMARK	41	34	-17	311	14	-95
OTHER	112	20	-82	283	65	-77
TOTAL	**4312**	**4622**	**7**	**12400**	**14537**	**17**
Beech logs						
FRANCE	1500	1759	17	6209	6347	2
GERMANY	124	633	410	191	697	265
SPAIN	407	461	13	713	974	37
DENMARK	324	452	40	543	677	25
ITALY	88	160	82	97	166	71
OTHER	217	12	-94	336	17	-95
TOTAL	**2660**	**3477**	**31**	**8089**	**8878**	**10**
Birch logs						
FRANCE	144	236	64	905	1137	26
GERMANY	0	14	na	0	19	na
DENMARK	0	11	na	0	14	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
OTHER	136	0	-100	784	0	-100
TOTAL	**280**	**261**	**-7**	**1689**	**1170**	**-31**
Poplar logs						
SPAIN	41	57	39	418	900	115
U.S.A.	0	23	na	0	126	na
FRANCE	4	13	225	26	78	200
...	0	0	na	0	0	na
...	0	0	na	0	0	na
OTHER	0	0	na	0	0	na
TOTAL	**45**	**93**	**107**	**444**	**1104**	**149**
Logs of tropical species identified by Eurostat (a)						
CONGO REPUBLIC	15629	14894	-5	43945	41350	-6
GABON	12938	13433	4	37930	36657	-3
CONGO DEM. REP.	6412	12562	96	18807	34070	81
CAMEROON	11084	10221	-8	31714	28330	-11
CENT. AFR. REP.	3605	2149	-40	8133	4314	-47
OTHER	3290	5277	60	16030	13130	-18
TOTAL	**52958**	**58536**	**11**	**156559**	**157851**	**1**
Other hardwood logs (b)						
U.S.A.	8789	7869	-10	18845	18618	-1
FRANCE	3858	4206	9	34446	28073	-19
GABON	2720	3932	45	8474	12107	43
CONGO DEM. REP.	1773	2124	20	4396	5456	24
SPAIN	3753	1848	-51	35931	20696	-42
OTHER	3024	3482	15	9703	11606	20
TOTAL	**23917**	**23461**	**-2**	**111795**	**96556**	**-14**
Sawn lumber of tropical species identified by Eurostat (a)						
BRAZIL	4802	11638	142	13865	29866	115
CAMEROON	4706	5328	13	7983	7922	-1
CONGO REPUBLIC	3187	2887	-9	5518	5310	-4
GABON	808	1702	111	1118	2563	129
SPAIN	484	1163	140	612	1717	181
OTHER	3841	2674	-30	7050	4671	-34
TOTAL	**17828**	**25392**	**42**	**36146**	**52049**	**44**
Oak sawn lumber (high value) (c)						
U.S.A.	18954	21871	15	23498	26244	12
FRANCE	2051	3118	52	3398	5993	76
SPAIN	1452	1249	-14	1400	1314	-6
HUNGARY	169	978	479	393	1358	246
CANADA	1660	920	-45	1623	933	-43
OTHER	2414	1093	-55	4098	1546	-62
TOTAL	**26700**	**29229**	**9**	**34410**	**37388**	**9**
Oak sawn lumber (low value) (c)						
BRAZIL	0	138	na	0	475	na
SWEDEN	16	112	600	50	397	694
...	0	0	na	0	0	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
OTHER	0	0	na	0	0	na
TOTAL	**16**	**250**	**1463**	**50**	**872**	**1644**
Beech sawn lumber (high value) (c)						
GERMANY	1461	2837	94	2107	3844	82
SPAIN	1516	2063	36	2623	3325	27
DENMARK	832	1896	128	1841	3819	107
ROMANIA	755	1635	117	940	2220	136
FRANCE	1425	1547	9	2988	3383	13
OTHER	757	1827	141	1340	2865	114
TOTAL	**6746**	**11805**	**75**	**11839**	**19456**	**64**
Beech sawn lumber (low value) (c)						
BELGIUM	6	4	-33	24	18	-25
...	0	0	na	0	0	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
OTHER	3	0	-100	32	0	-100
TOTAL	**9**	**4**	**-56**	**56**	**18**	**-68**
Other hardwood sawn lumber (high value) (b) (c)						
BRAZIL	0	9695	na	0	25018	na
U.S.A.	4830	3912	-19	5308	4603	-13
CAMEROON	581	2147	270	856	2549	198
SPAIN	1110	1651	49	2544	2096	-18
SWEDEN	1203	1113	-7	2984	3032	2
OTHER	4682	3591	-23	5916	3707	-37
TOTAL	**12406**	**22109**	**78**	**17608**	**41005**	**133**
Other hardwood sawn lumber (low value) (b) (c)						
BRAZIL	12078	0	-100	38246	0	-100
FRANCE	1536	1628	6	5705	6534	15
MOZAMBIQUE	0	251	na	0	724	na
FINLAND	0	30	na	0	108	na
...	0	0	na	0	0	na
OTHER	0	0	na	0	0	na
TOTAL	**13614**	**1909**	**-86**	**43951**	**7366**	**-83**
Planed, sanded or finger jointed lumber of Eurostat tropical pecies (a)						
SPAIN	333	1820	447	285	1710	500
NETHERLANDS	23	1267	5409	12	1743	14425
ITALY	66	210	218	74	202	173
BELGIUM	83	163	96	101	296	193
DENMARK	0	109	na	0	116	na
OTHER	437	482	10	839	819	-2
TOTAL	**942**	**4051**	**330**	**1311**	**4886**	**273**

	Value 000 euro 2003	Value 000 euro 2004	% chng	Weight tonnes 2003	Weight tonnes 2004	% chng
Other hardwood planed sanded or finger jointed sawn lumber (b)						
FRANCE	752	676	-10	2544	2167	-15
SPAIN	454	434	-4	594	1053	77
U.S.A.	17	158	829	20	182	810
SWEDEN	77	148	92	341	404	18
IVORY COAST	0	145	na	0	147	na
OTHER	754	377	-50	2074	587	-72
TOTAL	**2054**	**1938**	**-6**	**5573**	**4540**	**-19**
Veneer of tropical species identified by Eurostat (a)						
SPAIN	3288	2577	-22	1498	1636	9
NETHERLANDS	929	1499	61	775	1254	62
BRAZIL	232	1103	375	413	1371	232
EQUAT. GUINEA	649	671	3	660	616	-7
IVORY COAST	269	477	77	360	588	63
OTHER	1589	1441	-9	965	982	2
TOTAL	**6956**	**7768**	**12**	**4671**	**6447**	**38**
Other hardwood veneer (b)						
SPAIN	6808	12896	89	2618	8367	220
U.S.A.	5313	4666	-12	1814	1803	-1
FRANCE	3212	2982	-7	1190	2915	145
BRAZIL	2062	2239	9	3262	3223	-1
GERMANY	2260	1911	-15	611	668	9
OTHER	2270	3917	73	955	1581	66
TOTAL	**21925**	**28611**	**30**	**10450**	**18557**	**78**
Hardwood mouldings						
SPAIN	9220	9729	6	5096	4664	-8
BRAZIL	1765	1563	-11	2653	2421	-9
ITALY	1404	1100	-22	349	341	-2
NETHERLANDS	582	982	69	343	478	39
GERMANY	138	855	520	99	542	447
OTHER	2025	2429	20	1174	1459	24
TOTAL	**15134**	**16658**	**10**	**9714**	**9905**	**2**
Plywood of tropical species identified by Eurostat (a)						
SPAIN	1007	1288	28	1214	1364	12
BRAZIL	724	543	-25	906	776	-14
FRANCE	0	342	na	0	387	na
CHINA	31	132	326	45	212	371
ITALY	21	77	267	19	88	363
OTHER	92	84	-9	94	76	-19
TOTAL	**1875**	**2466**	**32**	**2278**	**2903**	**27**
Other hardwood plywood (b)						
FINLAND	399	1841	361	405	1630	302
BRAZIL	646	1731	168	996	2732	174
SPAIN	2869	1115	-61	2628	1143	-57
CHINA	92	620	574	29	895	2986
FRANCE	14	568	3957	50	442	784
OTHER	3206	766	-76	3717	1038	-72
TOTAL	**7226**	**6641**	**-8**	**7825**	**7880**	**1**
Softwood plywood						
SPAIN	2716	3677	35	3196	3965	24
BRAZIL	1125	1917	70	1862	2988	60
GERMANY	25	963	3752	111	1599	1341
ITALY	218	619	184	255	726	185
FRANCE	114	449	294	79	584	639
OTHER	491	879	79	570	1039	82
TOTAL	**4689**	**8504**	**81**	**6073**	**10901**	**79**
Windows and frames of tropical species identified by Eurostat (a)						
FRANCE	90	93	3	22	11	-50
SPAIN	42	31	-26	16	1	-94
THAILAND	0	0	na	0	0	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
OTHER	0	0	na	0	0	na
TOTAL	**132**	**124**	**-6**	**38**	**12**	**-68**
Windows and frames of other hardwood species (b)						
DENMARK	1794	1824	2	379	358	-6
SPAIN	738	263	-64	90	93	3
POLAND	175	180	3	61	56	-8
CANADA	26	9	-65	26	9	-65
SWITZERLAND	1	7	600	2	8	300
OTHER	5	18	260	26	13	-50
TOTAL	**2739**	**2301**	**-16**	**584**	**537**	**-8**
Doors and frames of tropical species identified by Eurostat (a)						
SPAIN	3135	2592	-17	1364	1120	-18
FRANCE	9	27	200	0	1	na
BRAZIL	21	25	19	11	16	45
INDONESIA	0	10	na	0	3	na
GERMANY	0	3	na	0	0	na
OTHER	0	3	na	0	2	na
TOTAL	**3165**	**2660**	**-16**	**1375**	**1142**	**-17**
Doors and frames of other hardwood species (b)						
SPAIN	11674	7001	-40	3716	2156	-42
BRAZIL	428	593	39	180	229	27
ITALY	258	220	-15	68	62	-9
FRANCE	119	50	-58	20	13	-35
NETHERLANDS	4	35	775	0	1	na
OTHER	75	34	-55	24	16	-33
TOTAL	**12558**	**7933**	**-37**	**4008**	**2477**	**-38**
Parquet panels (d)						
SPAIN	3681	5813	58	1990	3601	81
CHINA	3187	3356	5	1458	1624	11
SWEDEN	2578	3144	22	809	1021	26
INDONESIA	2150	2931	36	1303	1898	46
BRAZIL	338	1018	201	311	688	121
OTHER	2932	2665	-9	1668	1415	-15
TOTAL	**14866**	**18927**	**27**	**7539**	**10247**	**36**
Finished wood furniture (d)						
SPAIN	63109	69847	11	19659	19373	-1
FRANCE	14919	27796	86	7693	15516	102
ITALY	23804	26634	12	3676	4077	11
NETHERLANDS	4131	4847	17	2295	2197	-4
CHINA	1635	4753	191	886	1351	52
OTHER	21868	24786	13	8833	11410	29
TOTAL	**129466**	**158663**	**23**	**43042**	**53924**	**25**
Wood furniture components (d)						
SPAIN	3570	3583	0	1390	1552	12
FRANCE	265	3035	1045	68	1451	2034
ITALY	721	1050	46	215	363	69
GERMANY	518	468	-10	151	142	-6
AUSTRIA	130	137	5	53	55	4
OTHER	566	290	-49	585	117	-80
TOTAL	**5770**	**8563**	**48**	**2462**	**3680**	**49**

(a) Eurostat identify around 100 species as "tropical". A full list can be downloaded at http://europa.eu.int/eur-lex/pri/en/oj/dat/2001/l_279/l_27920011023en03180328.pdf
(b) Species not identified as tropical are classed as "other" by Eurostat data. Most of these are temperate, but some tropical species are included.
(c) "High value" is taken to include all product averaging more than 350 euro/tonne, "Low value" is all product averaging less than 350 euro/tonne
(d) Includes both hardwood and softwood products.

After a very poor year in 2003, there were signs of recovery in Portugal's hardwood import trade during 2004. As in other EU countries, there were also strong indications of significant structural changes on-going in the industry.

Tropical hardwood logs continue to be a major focus of the Portuguese import trade. Imports of this commodity recovered slightly in value terms in 2004, but overall tonnage remained fairly static. Probably the most notable trend was a significant increase in imports from the Democratic Republic of Congo as supplies from this country have become more regular and as opportunities to import logs from other sources have declined.

Portuguese imports of tropical sawn lumber recovered most strongly, up over 40% in both value and tonnage terms in 2004 compared to the previous year. A large part of the growth can be attributed to a major boost in the level of tropical sawn lumber imports from Brazil. The value of hardwood imports from Brazil rose particularly strongly, indicative partly of generally rising prices.

On the temperate hardwood side, Portugal's imports of oak sawn lumber staged a partial recovery last year, with volumes increasing from both the US and France, the major suppliers. Unlike most other EU countries, Portugal also seems to have been a strong market for beech sawn lumber last year, with imports rising by over 75% compared to the previous year. German, Danish, Romanian and French suppliers all benefited from this trend.

A potentially significant trend is the increase in Portugal's imports of "planed, sanded and finger-jointed" tropical hardwoods last year, with much of this volume coming indirectly via other EU countries. It seems Portuguese manufacturers are coming to rely more on dimension producers elsewhere in the continent, although it should be noted these products still represent only a small proportion of the total trade.

Portugal's imports of hardwood veneer – particularly temperate hardwood - rebounded strongly in 2004 after a poor year in 2003. A large proportion of the increased volume came via Spain.

Portugal's imports of finished wood furniture were also on the rise last year, notably from France.

The Portuguese economy grew by 1% in 2004, but was technically in recession in the second half of the year. The Economist Intelligence Unit forecasts a modest pick-up over the next two years, with growth of 1.2% in 2005 and 1.7% in 2006.

Greece imports 2003 and 2004

	Value 000 euro			Weight tonnes		
	2003	2004	% chng	2003	2004	% chng
Oak logs						
GERMANY	263	200	-24	80	48	-40
ITALY	31	176	468	25	48	92
AUSTRIA	0	119	na	0	24	na
ROMANIA	54	68	26	205	231	13
FINLAND	6	12	100	0	25	na
OTHER	120	0	-100	811	0	-100
TOTAL	**474**	**575**	**21**	**1121**	**376**	**-66**
Beech logs						
MACEDONIA	622	484	-22	6062	5042	-17
BULGARIA	134	4	-97	3041	47	-98
GERMANY	7	4	-43	21	2	-90
...	0	0	na	0	0	na
...	0	0	na	0	0	na
OTHER	99	0	-100	568	0	-100
TOTAL	**862**	**492**	**-43**	**9692**	**5091**	**-47**
Birch logs						
CONGO REPUBLIC	0	284	na	0	839	na
ROMANIA	0	5	na	0	20	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
OTHER	65	0	-100	296	0	-100
TOTAL	**65**	**289**	**345**	**296**	**859**	**190**
Poplar logs						
...	0	0	na	0	0	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
OTHER	3	0	-100	36	0	-100
TOTAL	**3**	**0**	**-100**	**36**	**0**	**-100**
Logs of tropical species identified by Eurostat (a)						
GABON	7417	7199	-3	24216	22333	-8
CAMEROON	1036	652	-37	2852	1620	-43
CONGO REPUBLIC	490	415	-15	1468	1061	-28
GUINEA	0	389	na	0	1779	na
EQUAT. GUINEA	0	215	na	0	1199	na
OTHER	2667	3	-100	11399	5	-100
TOTAL	**11610**	**8873**	**-24**	**39935**	**27997**	**-30**
Other hardwood logs (b)						
GABON	605	1641	171	1945	5046	159
CAMEROON	2931	444	-85	3760	614	-84
CONGO REPUBLIC	113	429	280	364	1093	200
MACEDONIA	68	125	84	438	953	118
BULGARIA	10	6	-40	136	43	-68
OTHER	2340	5	-100	7943	19	-100
TOTAL	**6067**	**2650**	**-56**	**14586**	**7768**	**-47**
Sawn lumber of tropical species identified by Eurostat (a)						
IVORY COAST	2995	4795	60	3553	4756	34
INDONESIA	1135	1600	41	1081	1723	59
MALAYSIA	1234	1408	14	1397	1614	16
CAMEROON	770	1212	57	1059	1599	51
BRAZIL	9	196	2078	9	338	3656
OTHER	1425	883	-38	1609	754	-53
TOTAL	**7568**	**10094**	**33**	**8708**	**10784**	**24**
Oak sawn lumber (high value) (c)						
U.S.A.	6753	5942	-12	7467	6608	-12
ROMANIA	5271	5636	7	11896	12837	8
UKRAINE	2150	2593	21	5793	6713	16
SERBIA & MONT.	1673	2000	20	3898	4656	19
BOSNIA & HERZ.	998	1502	51	2460	3209	30
OTHER	1479	2146	45	2359	3174	35
TOTAL	**18324**	**19819**	**8**	**33873**	**37197**	**10**
Oak sawn lumber (low value) (c)						
MOLDOVA	0	6	na	0	20	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
...	0	0	na	0	0	na
OTHER	40	0	-100	173	0	-100
TOTAL	**40**	**6**	**-85**	**173**	**20**	**-88**
Beech sawn lumber (high value) (c)						
ROMANIA	1645	2273	38	4058	5587	38
GEORGIA	0	229	na	0	463	na
RUSSIA	273	173	-37	737	477	-35
BOSNIA & HERZ.	0	95	na	0	149	na
GERMANY	21	58	176	45	114	153
OTHER	91	97	7	79	113	43
TOTAL	**2030**	**2925**	**44**	**4919**	**6903**	**40**
Beechsawn lumber (low value) (c)						
SERBIA & MONT.	3437	3298	-4	12005	10964	-9
BULGARIA	863	1142	32	3739	6010	61
MACEDONIA	311	749	141	1303	3030	133
ALBANIA	26	26	0	273	352	29
TURKEY	11	11	0	43	32	-26
OTHER	379	0	-100	1378	0	-100
TOTAL	**5027**	**5226**	**4**	**18741**	**20388**	**9**
Other hardwood sawn lumber (high value) (b) (c)						
U.S.A.	2822	3153	12	2573	3027	18
CAMEROON	2731	2735	0	3553	3663	3
IVORY COAST	684	2663	289	825	3170	284
CANADA	175	359	105	141	327	132
ROMANIA	194	132	-32	498	305	-39
OTHER	460	1178	156	691	1649	139
TOTAL	**7066**	**10220**	**45**	**8281**	**12141**	**47**
Other hardwood sawn lumber (low value) (b) (c)						
BULGARIA	3685	4632	26	26313	34373	31
SERBIA & MONT.	261	339	30	931	1817	95
ROMANIA	229	256	12	1704	1941	14
TURKEY	1251	241	-81	9347	1928	-79
BOSNIA & HERZ.	174	167	-4	730	562	-23
OTHER	59	216	266	252	880	249
TOTAL	**5659**	**5851**	**3**	**39277**	**41501**	**6**
Planed, sanded or finger jointed lumber of Eurostat tropical pecies (a)						
ITALY	172	465	170	113	296	162
SWEDEN	679	382	-44	367	319	-13
GERMANY	110	174	58	41	126	207
FINLAND	1	117	11600	1	126	12500
MOZAMBIQUE	0	113	na	0	107	na
OTHER	129	156	21	102	99	-3
TOTAL	**1091**	**1407**	**29**	**624**	**1073**	**72**

	Value 000 euro			Weight tonnes		
	2003	2004	% chng	2003	2004	% chng
Other hardwood planed sanded or finger jointed sawn lumber (b)						
ROMANIA	293	377	29	461	579	26
GERMANY	0	205	na	0	12	na
BULGARIA	65	107	65	61	119	95
AUSTRIA	15	59	293	12	96	700
ITALY	13	54	315	11	96	773
OTHER	127	217	71	273	424	55
TOTAL	**513**	**1019**	**99**	**818**	**1326**	**62**
Veneer of tropical species identified by Eurostat (a)						
GERMANY	2260	2777	23	530	770	45
GABON	744	2045	175	674	2213	228
CYPRUS	0	516	na	0	85	na
SPAIN	251	510	103	104	182	75
ITALY	999	465	-53	242	98	-60
OTHER	2118	1360	-36	1241	918	-26
TOTAL	**6372**	**7673**	**20**	**2791**	**4266**	**53**
Other hardwood veneer (b)						
GERMANY	4726	6287	33	1144	1897	66
U.S.A.	2682	4777	78	627	1313	109
ITALY	1344	2440	82	346	556	61
AUSTRIA	942	2156	129	407	487	20
TURKEY	561	1777	217	241	836	247
OTHER	6097	7604	25	4236	6170	46
TOTAL	**16352**	**25041**	**53**	**7001**	**11259**	**61**
Hardwood mouldings						
ITALY	2528	3377	34	996	1452	46
ROMANIA	911	1626	78	751	1148	53
HUNGARY	989	1138	15	814	1026	26
CROATIA	617	1105	79	315	514	63
INDONESIA	1288	982	-24	1164	978	-16
OTHER	6706	8248	23	5943	9312	57
TOTAL	**13039**	**16476**	**26**	**9983**	**14430**	**45**
Plywood of tropical species identified by Eurostat (a)						
CHINA	1614	2288	42	2165	3774	74
BRAZIL	1850	1912	3	3665	3646	-1
GHANA	509	852	67	649	1087	67
CYPRUS	0	732	na	0	925	na
CAMEROON	651	599	-8	577	535	-7
OTHER	1767	2727	54	1824	3289	80
TOTAL	**6391**	**9110**	**43**	**8880**	**13256**	**49**
Other hardwood plywood (b)						
RUSSIA	3743	4087	9	5944	6958	17
CHINA	354	1435	305	483	2215	359
ROMANIA	584	878	50	872	1266	45
TURKEY	505	432	-14	599	495	-17
FINLAND	604	359	-41	628	421	-33
OTHER	2895	1913	-34	4029	2515	-38
TOTAL	**8685**	**9104**	**5**	**12555**	**13870**	**10**
Softwood plywood						
CHINA	925	1709	85	1355	2613	93
RUSSIA	995	1396	40	2030	2495	23
BRAZIL	2141	937	-56	4310	1890	-56
GERMANY	628	687	9	309	361	17
ROMANIA	448	655	46	580	884	52
OTHER	2555	2493	-2	3008	2267	-25
TOTAL	**7692**	**7877**	**2**	**11592**	**10510**	**-9**
Windows and frames of tropical species identified by Eurostat (a)						
ITALY	736	993	35	133	135	2
DENMARK	35	64	83	5	9	80
AUSTRIA	4	28	600	3	2	-33
SPAIN	0	16	na	0	2	na
SLOVENIA	54	13	-76	10	4	-60
OTHER	31	22	-29	2	4	100
TOTAL	**860**	**1136**	**32**	**153**	**156**	**2**
Windows and frames of other hardwood species (b)						
ITALY	2942	3602	22	405	427	5
SLOVENIA	293	485	66	53	86	62
AUSTRIA	4	342	8450	0	78	na
SERBIA & MONT.	174	176	1	32	34	6
TURKEY	95	159	67	49	185	278
OTHER	821	560	-32	409	202	-51
TOTAL	**4329**	**5324**	**23**	**948**	**1012**	**7**
Doors and frames of tropical species identified by Eurostat (a)						
ITALY	631	799	27	158	231	46
INDONESIA	101	69	-32	42	35	-17
GERMANY	0	19	na	0	7	na
IRISH REPUBLIC	0	16	na	0	3	na
SPAIN	6	10	67	4	0	-100
OTHER	20	3	-85	5	0	-100
TOTAL	**758**	**916**	**21**	**209**	**276**	**32**
Doors and frames of other hardwood species (b)						
ITALY	4770	7669	61	1864	3305	77
TURKEY	395	430	9	172	224	30
SLOVENIA	91	358	293	19	69	263
ISRAEL	203	352	73	97	126	30
BELGIUM	259	289	12	131	114	-13
OTHER	1051	1459	39	430	578	34
TOTAL	**6769**	**10557**	**56**	**2713**	**4416**	**63**
Parquet panels (d)						
GERMANY	1893	1604	-15	2327	916	-61
AUSTRIA	1071	912	-15	1253	840	-33
ITALY	448	609	36	505	721	43
CHINA	170	313	84	240	433	80
SPAIN	103	178	73	52	88	69
OTHER	1093	863	-21	1331	574	-57
TOTAL	**4778**	**4479**	**-6**	**5708**	**3572**	**-37**
Finished wood furniture (d)						
ITALY	70197	78607	12	18501	110568	498
TURKEY	15086	20908	39	8068	10913	35
SWEDEN	5192	13937	168	2377	7254	205
CHINA	6919	13768	99	3346	7183	115
GERMANY	7289	9680	33	1843	5790	214
OTHER	58622	80600	37	21000	28686	37
TOTAL	**163305**	**217500**	**33**	**55135**	**170394**	**209**
Wood furniture components (d)						
ITALY	4512	4929	9	1538	2794	82
SWEDEN	961	3459	260	535	4192	684
BULGARIA	1865	2444	31	997	1429	43
GERMANY	469	934	99	214	614	187
FRANCE	645	742	15	194	172	-11
OTHER	1257	2153	71	999	1513	51
TOTAL	**9709**	**14661**	**51**	**4477**	**10714**	**139**

(a) Eurostat identify around 100 species as "tropical". A full list can be downloaded at http://europa.eu.int/eur-lex/pri/en/oj/dat/2001/l_279/l_27920011023en03180328.pdf
(b) Species not identified as tropical are classed as "other" by Eurostat data. Most of these are temperate, but some tropical species are included.
(c) "High value" is taken to include all product averaging more than 350 euro/tonne, "Low value" is all product averaging less than 350 euro/tonne
(d) Includes both hardwood and softwood products.

Overall, the Greek hardwood import trade has performed reasonably well in recent years, boosted by good economic growth and extra construction activity in the run up to the 2004 Athens Olympics. However prospects during 2005 are less positive due to an anticipated slowdown in GDP growth.

The Economist Intelligence Unit forecasts that growth will slow sharply from 4.2% in 2004 to 2.7% in 2005 as a result of slackening investment and export growth. The beginning of 2005 has been generally characterised by a decline in overall business confidence. On the plus side, the chances that the European Central Bank will raise interest rates this year have receded, which should help to prevent a more severe slowdown in Greek economic growth.

As elsewhere in Europe, the 2004 data reveals some structural changes in the Greek hardwood import trade. Tropical log imports from traditional sources (Gabon, Cameroon) continued to decline in response to falling availability. There was some increased imports of tropical logs from less traditional suppliers (Guinea, Equatorial Guinea). However, probably a more significant trend was the switch to imports of tropical sawn lumber and veneers. Greece imported more sawn lumber from Ivory Coast, Indonesia and Cameroon last year. Meanwhile the tonnage of tropical hardwood veneer imported from Gabon increased by 228%. .

Temperate hardwood lumber imports were also rising strongly last year. Greece was a good market for Romanian beech last year. In the oak sector, American sawn lumber lost market share to European product derived from a range of countries, including Romania, Ukraine and the former Yugoslavia. However American suppliers picked up new business in lumber of non-oak species. There was also an increase in imports of temperate hardwood veneers from both the United States and Germany.

Greece was importing more hardwood mouldings last year, notably from Italy and a range of Eastern European countries.

There was a massive increase in the tonnage of wood furniture imported into Greece last year, notably from Italy, Sweden, China, and Germany. The scale of the increase is suspicious, raising questions over the accuracy of the tonnage data. However, it is possible that the Olympic Games provided a massive short-term increase in demand for certain types of cheap movable furniture.

Poland imports 2003 and 2004

	Value 000 euro 2003	Value 000 euro 2004	% chng	Weight tonnes 2003	Weight tonnes 2004	% chng
Oak logs						
UKRAINE	6440	9466	47	74703	114952	54
GERMANY	1450	3590	148	20588	41965	104
RUSSIA	2197	2813	28	12520	16102	29
SLOVAKIA	476	1361	186	4210	10434	148
BELGIUM	0	383	na	0	1587	na
OTHER	284	593	109	2063	3458	68
TOTAL	**10847**	**18206**	**68**	**114084**	**188498**	**65**
Beech logs						
SLOVAKIA	2604	4923	89	32063	60609	89
UKRAINE	581	825	42	4395	6299	43
GERMANY	114	314	175	1775	3292	85
FRANCE	13	48	269	38	145	282
CNTY-UNKNOWN	0	2	na	0	20	na
OTHER	45	0	-100	69	0	-100
TOTAL	**3357**	**6112**	**82**	**38340**	**70365**	**84**
Birch logs						
BELARUS	2721	4379	61	115881	178041	54
LITHUANIA	1746	983	-44	59984	29761	-50
RUSSIA	264	665	152	4367	10503	141
UKRAINE	124	252	103	3238	7095	119
GERMANY	4	90	2150	49	1158	2263
OTHER	4	89	2125	101	1167	1055
TOTAL	**4863**	**6458**	**33**	**183620**	**227725**	**24**
Poplar logs						
BELARUS	221	164	-26	8048	6185	-23
SLOVAKIA	0	16	na	0	159	na
GERMANY	4	9	125	18	412	2189
UKRAINE	0	4	na	3	148	4833
...	0	0	na	0	0	na
OTHER	2	0	-100	4	0	-100
TOTAL	**227**	**193**	**-15**	**8073**	**6904**	**-14**
Logs of tropical species identified by Eurostat (a)						
GERMANY	102	1149	1026	67	2721	3961
BURMA	32	124	288	20	65	225
BELGIUM	0	52	na	0	127	na
GABON	86	49	-43	241	105	-56
DENMARK	0	45	na	0	21	na
OTHER	266	84	-68	574	130	-77
TOTAL	**486**	**1503**	**209**	**902**	**3169**	**251**
Other hardwood logs (b)						
UKRAINE	1177	1855	58	22017	34093	55
BELARUS	401	645	61	10949	17205	57
GERMANY	69	551	699	810	6339	683
SLOVAKIA	95	336	254	952	3127	228
RUSSIA	26	163	527	226	1595	606
OTHER	370	196	-47	2717	1635	-40
TOTAL	**2138**	**3746**	**75**	**37671**	**63994**	**70**
Sawn lumber of tropical species identified by Eurostat (a)						
INDONESIA	11314	10152	-10	10137	9213	-9
GERMANY	2213	6318	185	2163	6765	213
MALAYSIA	912	1056	16	1279	1710	34
IVORY COAST	122	288	136	230	386	68
SWEDEN	20	239	1095	24	217	804
OTHER	1123	1794	60	1099	1932	76
TOTAL	**15704**	**19847**	**26**	**14932**	**20223**	**35**
Oak sawn lumber (high value) (c)						
GERMANY	2879	4892	70	8000	11576	45
FRANCE	171	153	-11	261	302	16
NETHERLANDS	31	147	374	49	207	322
U.S.A.	319	77	-76	480	130	-73
SPAIN	0	48	na	0	47	na
OTHER	211	100	-53	298	172	-42
TOTAL	**3611**	**5417**	**50**	**9088**	**12434**	**37**
Oak sawn lumber (low value) (c)						
UKRAINE	4246	7062	66	25773	39077	52
SLOVAKIA	515	1413	174	2110	6595	213
CZECH REPUBLIC	39	210	438	127	620	388
RUSSIA	47	179	281	330	813	146
HUNGARY	0	123	na	0	541	na
OTHER	113	178	58	562	650	16
TOTAL	**4960**	**9165**	**85**	**28902**	**48296**	**67**
Beech sawn lumber (high value) (c)						
ROMANIA	550	626	14	595	353	-41
SERBIA & MONT.	578	359	-38	1131	728	-36
BOSNIA & HERZ.	161	301	87	407	688	69
SLOVENIA	631	131	-79	546	144	-74
FRANCE	46	67	46	115	160	39
OTHER	818	38	-95	1482	54	-96
TOTAL	**2784**	**1522**	**-45**	**4276**	**2127**	**-50**
Beech sawn lumber (low value) (c)						
GERMANY	5301	5759	9	18391	18721	2
SLOVAKIA	2409	3369	40	19357	20941	8
UKRAINE	803	711	-11	4921	4426	-10
CZECH REPUBLIC	239	262	10	1485	1243	-16
AUSTRIA	178	218	22	543	985	81
OTHER	28	20	-29	127	65	-49
TOTAL	**8958**	**10339**	**15**	**44824**	**46381**	**3**
Other hardwood sawn lumber (high value) (b) (c)						
AUSTRIA	0	2059	na	0	395	na
GERMANY	475	1161	144	868	2568	196
CANADA	424	849	100	597	627	5
SWEDEN	0	443	na	0	521	na
FRANCE	227	263	16	266	367	38
OTHER	800	825	3	1517	1269	-16
TOTAL	**1926**	**5600**	**191**	**3248**	**5747**	**77**
Other hardwood sawn lumber (low value) (b) (c)						
SLOVAKIA	1433	2076	45	8807	12162	38
UKRAINE	561	1226	119	3494	6847	96
BELARUS	486	357	-27	2677	2118	-21
RUSSIA	151	253	68	1548	1641	6
LITHUANIA	252	222	-12	1136	1906	68
OTHER	1274	364	-71	8058	1360	-83
TOTAL	**4157**	**4498**	**8**	**25720**	**26034**	**1**
Planed, sanded or finger jointed lumber of Eurostat tropical pecies (a)						
GERMANY	228	845	271	212	722	241
INDONESIA	1667	786	-53	1864	1002	-46
NETHERLANDS	32	213	566	15	154	927
CAMEROON	317	195	-38	180	124	-31
BELGIUM	122	115	-6	139	116	-17
OTHER	886	368	-58	928	360	-61
TOTAL	**3252**	**2522**	**-22**	**3338**	**2478**	**-26**

	Value 000 euro 2003	Value 000 euro 2004	% chng	Weight tonnes 2003	Weight tonnes 2004	% chng
Other hardwood planed sanded or finger jointed sawn lumber (b)						
UKRAINE	521	1376	164	2243	5583	149
GERMANY	288	447	55	1066	945	-11
ITALY	43	231	437	2	115	5650
SLOVAKIA	531	210	-60	1057	478	-55
CANADA	407	159	-61	269	130	-52
OTHER	1170	513	-56	1717	756	-56
TOTAL	**2960**	**2936**	**-1**	**6354**	**8007**	**26**
Veneer of tropical species identified by Eurostat (a)						
GERMANY	999	1378	38	303	513	69
SPAIN	519	357	-31	232	205	-12
DENMARK	1	233	23200	1	170	16900
SWEDEN	156	151	-3	55	65	18
NETHERLANDS	169	139	-18	54	66	22
OTHER	1333	930	-30	594	433	-27
TOTAL	**3177**	**3188**	**0**	**1239**	**1452**	**17**
Other hardwood veneer (b)						
GERMANY	9186	11341	23	3644	4940	36
ESTONIA	5801	4331	-25	2575	1978	-23
FINLAND	2504	3053	22	1189	1455	22
LATVIA	2246	2958	32	905	1173	30
UKRAINE	919	1738	89	737	1139	55
OTHER	8498	10287	21	3893	4879	25
TOTAL	**29154**	**33708**	**16**	**12943**	**15564**	**20**
Hardwood mouldings						
ITALY	2371	2428	2	704	868	23
GERMANY	2952	2377	-19	664	1180	78
INDONESIA	406	2008	395	387	2253	482
BRAZIL	133	1033	677	121	1420	1074
UKRAINE	596	597	0	1886	1966	4
OTHER	4694	4995	6	3798	4755	25
TOTAL	**11152**	**13438**	**20**	**7560**	**12442**	**65**
Plywood of tropical species identified by Eurostat (a)						
GERMANY	766	2480	224	262	1649	529
LATVIA	729	963	32	1058	1322	25
NORWAY	805	406	-50	734	374	-49
BULGARIA	187	357	91	221	429	94
INDONESIA	937	353	-62	935	381	-59
OTHER	1291	1259	-2	874	999	14
TOTAL	**4715**	**5818**	**23**	**4084**	**5154**	**26**
Other hardwood plywood (b)						
BELARUS	3675	5182	41	10905	15145	39
RUSSIA	3371	4174	24	7557	9079	20
LATVIA	1376	2646	92	2271	4003	76
FINLAND	1609	2065	28	1389	1859	34
GERMANY	1025	1628	59	734	1112	51
OTHER	4835	6152	27	6725	11204	67
TOTAL	**15890**	**21847**	**37**	**29581**	**42402**	**43**
Softwood plywood						
LATVIA	3858	6325	64	4511	7253	61
GERMANY	1772	3178	79	1272	2367	86
FRANCE	260	1899	630	131	999	663
FINLAND	1400	1835	31	1231	1872	52
DENMARK	425	1653	289	367	1702	364
OTHER	3577	3195	-11	4754	3592	-24
TOTAL	**11292**	**18085**	**60**	**12266**	**17785**	**45**
Windows and frames of tropical species identified by Eurostat (a)						
DENMARK	0	18	na	0	3	na
GREECE	0	5	na	0	1	na
BELGIUM	4	5	25	1	1	0
GERMANY	18	1	-94	2	1	-50
...	0	0	na	0	0	na
OTHER	11	0	-100	4	0	-100
TOTAL	**33**	**29**	**-12**	**7**	**6**	**-14**
Windows and frames of other hardwood species (b)						
U.K.	327	687	110	37	80	116
NORWAY	67	254	279	21	88	319
GERMANY	268	185	-31	293	126	-57
HUNGARY	2132	137	-94	739	51	-93
ITALY	171	55	-68	19	6	-68
OTHER	164	36	-78	77	15	-81
TOTAL	**3129**	**1354**	**-57**	**1186**	**366**	**-69**
Doors and frames of tropical species identified by Eurostat (a)						
SPAIN	0	63	na	0	20	na
THAILAND	119	59	-50	28	16	-43
GERMANY	38	8	-79	3	3	0
BELGIUM	1	3	200	0	0	na
ITALY	0	2	na	0	1	na
OTHER	163	2	-99	100	0	-100
TOTAL	**321**	**137**	**-57**	**131**	**40**	**-69**
Doors and frames of other hardwood species (b)						
GERMANY	1295	2488	92	515	1370	166
SPAIN	1698	1388	-18	606	460	-24
CZECH REPUBLIC	1308	938	-28	667	515	-23
ITALY	646	905	40	115	171	49
FRANCE	844	325	-61	217	88	-59
OTHER	1470	1198	-19	506	399	-21
TOTAL	**7261**	**7242**	**0**	**2626**	**3003**	**14**
Parquet panels (d)						
GERMANY	2989	2953	-1	4016	3744	-7
SWEDEN	1401	1422	1	606	492	-19
SPAIN	34	371	991	26	318	1123
DENMARK	303	298	-2	93	114	23
ITALY	162	250	54	82	69	-16
OTHER	859	893	4	573	721	26
TOTAL	**5748**	**6187**	**8**	**5396**	**5458**	**1**
Finished wood furniture (d)						
ITALY	25576	25522	0	6216	7038	13
GERMANY	13579	13849	2	8434	7546	-11
CHINA	2150	9110	324	972	4456	358
DENMARK	7585	8059	6	6398	7122	11
SWEDEN	5601	7612	36	4229	5304	25
OTHER	42334	47016	11	21846	27197	24
TOTAL	**96825**	**111168**	**15**	**48095**	**58663**	**22**
Wood furniture components (d)						
ITALY	11151	10852	-3	2542	2430	-4
RUSSIA	4663	7773	67	5379	8357	55
SWEDEN	4148	4946	19	2821	2635	-7
SLOVAKIA	1965	2988	52	2751	3281	19
LATVIA	2604	2587	-1	1480	1687	14
OTHER	10893	11697	7	6878	7844	14
TOTAL	**35424**	**40843**	**15**	**21851**	**26234**	**20**

(a) Eurostat identify around 100 species as "tropical". A full list can be downloaded at http://europa.eu.int/eur-lex/pri/en/oj/dat/2001/l_279/l_27920011023en03180328.pdf
(b) Species not identified as tropical are classed as "other" by Eurostat data. Most of these are temperate, but some tropical species are included.
(c) "High value" is taken to include all product averaging more than 350 euro/tonne, "Low value" is all product averaging less than 350 euro/tonne
(d) Includes both hardwood and softwood products.

Polish hardwood imports rose strongly overall last year. The biggest increases were in imports of hardwood logs, indicating that domestic hardwood supplies have not kept pace with burgeoning demand in the furniture sector. The rise in imports has done little to shift the existing focus of this sector on European temperate hardwoods. Imports of American and tropical hardwoods remained at very low levels during 2004.

Overall Polish imports of temperate hardwood logs increased from 380,000 tonnes in 2003 to 557,000 tonnes in 2004. Key products were Ukrainian and German oak, Slovakian beech, and Belarussian birch. Much of the tonnage comprised lower grade wood destined for Poland's panels and pulp industries. However, anecdotal reports suggest rising imports of higher grade logs for veneer and dimension production. Tropical log imports also increased by 250% from a small base, most sourced indirectly via Germany.

With a large domestic wood processing sector, Poland's imports of high value sawn lumber remain relatively confined. As with tropical logs, much of the high value lumber imported, both tropical and temperate, comes via Germany. Distribution channels for tropical and American hardwoods remain poorly developed in Poland. Indonesian meranti is the only species of high value lumber imported direct in any quantity. This product has been heavily promoted by DLH in the country, mainly for window frames. In contrast, large and expanding volumes of cheap temperate hardwood sawn lumber, principally oak, are now being imported from Ukraine and Slovakia.

Growth in Poland's furniture sector is reflected in rising levels of imports of planed sawn lumber, mouldings, veneers and wood furniture components, again with an emphasis on temperate hardwoods. The importance of birch to the Polish furniture industry is reflected in high levels of temperate hardwood veneer and plywood imports from northern European countries.

While Poland's domestic furniture sector has been expanding, the nation's imports of finished furniture were also rising during 2004, particularly from Italy and China. While the levels are still restricted, an increase in Chinese furniture imports by the dominant Eastern European furniture manufacturing nation seems particularly significant. It suggests a growing need for Polish manufacturers to shift up market to counter Asian competition.

Booming Middle East

Anecdotal information suggests that hardwood demand in the Middle East increased substantially during 2004. The signs are that this year could be even better. The region's populations and economies are growing very rapidly, that both foreign and internal investment is increasing, along with commerce and tourism, resulting in an on-going construction boom. **Pages 1,9,10**

Sapele enigma

Mixed reports are emerging on the sapele market. There is a strong perception amongst European importers that sapele is readily available. But the market perspective of the African shipper is very different. Concessionaires are already suggesting that log supplies are running thin and that throughput of sawn lumber is likely to be insufficient to meet demand in the second half of the year. **Page 2**

Far East log supplies very tight

Tropical log supplies in South East Asia are still very restricted. Demand for South East Asian logs remains very high in China and India, tending to run ahead of available supply with many importers suffering from shortfalls. **Page 3**

China posts nothing but gains

China's imports of wood products for the first quarter of this year have posted nothing but gains as compared to the same period in 2004. Despite a minor decrease in the volume of imports of sawn hardwood lumber, the value of imports of all wood products increased over the period. **Page 4**

Indonesian crackdown

The publication of a damning report on levels of illegal logging in the Indonesian state of Papua by EIA/Telapak earlier this year has stimulated a major government crackdown. This is already impacting on log supply in the region. However much work still needs to be done to improve regulation of the Indonesian forest sector. **Pages 5**

Brazil emerges from the shadows

During the past five years, the Brazilian forest sector has successfully begun to consolidate its focus on foreign markets, with 2004 exports tripling to a value of $3.85 billion over the period. Considering short term trends, during the first three months of this year the export value of Brazilian sawn hardwood increased by 14% to reach a little over $136 million. **Pages 5,6**

US economic boom continues

Despite a one-quarter percent increase in interest rates on May 3, few expect any immediate slowdown in the US economy. As if to underline this, housing starts and sales are still at record levels. Meanwhile, overall US hardwood lumber production is down on the same period last year, as most producing regions have experienced a wetter than normal winter and continue to be dogged by a wet spring. Despite this, the market for red oak remains very challenging due to the loss of consumption in the furniture sector and a switch to white woods in the cabinet sector. In contrast, demand for maple remains very firm. **Pages 6,7**

Mixed year for US exports

Overall, the first quarter of 2005 has shown mixed results for exports of US hardwood products, with log exports up by 16% to over 680,000 m3, while hardwood lumber shipments were down by just under 1% to 725,000 m3 in volume and up by 1% in value to $362 million. At the same time, veneer exports were down by around 7% over the same period last year to $111.7 million. **Pages 7,8**

Strong French oak market

With the season for log purchasing practically over, the market for French oak logs has picked up substantially over the past few weeks. Fewer logs have been sold this season, partly due to the cancellation of many auctions because of deep snow and cold weather during February and March. So while, demand has been rising, the availability of oak logs on the market has come under increasing pressure. **Page 10**

Major structural changes underway in the EU

Highlights from our continuing review of the European hardwood import trade during 2004 include:

- Overall 2004 was not a particularly buoyant year for the **Belgian hardwood import trade**, although there were some bright spots. Belgium imported significantly lower volumes of temperate hardwood sawn lumber from the United States in 2004. But this was partly offset by rising imports from Germany, Netherlands, Canada, and Poland. Belgian imports of tropical hardwood logs were on the rise with improved production in Congo-Kinshasa. Belgian imports of tropical sawn lumber remained steady. Prospects are generally declining for 2005
- The **Dutch hardwood trade** was very sluggish in 2004, with imports of many products down on the previous year. Economic conditions in the country remain weak. At the same time major structural changes in the country's hardwood trade are underway. For example there was a 50% fall in Dutch imports of tropical logs last year.
- After a very poor year in 2003, there were signs of recovery in **Portugal's hardwood import trade** during 2004. As in the Netherlands, there were also strong indications of significant structural changes on-going in the Portuguese industry. Imports of Brazilian sawn lumber rose very strongly last year.
- Overall, the **Greek hardwood import trad**e has performed reasonably well in recent years, boosted by good economic growth and extra construction activity in the run up to the 2004 Athens Olympics. However prospects during 2005 are less positive due to an anticipated slowdown in GDP growth.
- **Polish hardwood imports** rose strongly overall last year. The biggest increases were in imports of hardwood logs, indicating that domestic hardwood supplies have not kept pace with burgeoning demand in the furniture sector. The rise in imports has done little to shift the existing focus of this sector on European temperate hardwoods. Imports of American and tropical hardwoods remained at very low levels during 2004.