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Japan: pain brings change

he economic news from Japan has been universally poor over recent weeks. GDP contracted by 0.8% in the first quarter compared with the previous quarter at an annual rate. Another quarter of negative growth would, according to the standard definition, mean another recession. The contraction occurred despite a further bout of public spending. Retail sales in large stores fell by 3.2% in May, the 37th consecutive monthly fall. Housing starts in April were down 7.2% on the same month of the previous year. Applications for new house building loans remain depressed. Demand for building materials is very slow, aggravated at present by Japan's rainy season. Meanwhile the importing trade is having to struggle against the continuing weakness of the yen which fell again against the dollar in June.

Weak market conditions, coupled with major changes on the supply side, are contributing to a transformation in the structure of Japan's hardwood importing trade. In response to tight supplies, the leading producers of Southsea logs have been trying to push through FOB price increases, but the Japanese market has been unable to absorb these. Japan's plywood manufacturers, a major source of demand for tropical logs, have been progressively switching to lower cost and more widely available softwood logs. Initially the switch was to Russian raw material, but now, in anticipation of

rising prices for Russian larch, manufacturers are trying to replace a part of this material with radiata pine from New Zealand. Meanwhile, the volume of Japan's tropical log imports, which fell 11% during 2000, continued to fall during the first quarter of this year.

Japanese manufacturers of wood products are coming under intense pressure from importers. Indonesian, Malaysian and, more recently, Chinese producers of lumber and plywood have been able to undercut Japanese mills. Japan's plywood imports registered 452,000 cubic meters in April, 17% up on the same month the previous year, and the eighth straight month when the previous year's figures were exceeded. By contrast domestic production of ordinary plywood fell by 6.2% in April, the 12th straight month of decline.

Similar trends are apparent in the furniture sector. The value of Japan's furniture imports shot up 17% during 2000 compared with the previous year to 329 billion yen. The biggest mover was wooden furniture which grew nearly 20% and accounted for about half the total imports. It is also significant that after eight years of domination by Taiwanese exporters, China took over as the number one supplier, mainly from China's new high tech and low cost factories financed by foreign investors. However other ASEAN and European exporters also made

Continued page 5

		Volume o	f Japan	Tropical	Log Impo	rts (000s r	m3)	
			Source.	: Japan Lu	umber Jour	nal		
		Total Southsea	Sabah	Sarawak	Indonesia	Sol. Is	PNG	Total Africa
1997	Year	5233	57	2824		374	1965	666
1998	Year	3192	130	1976	31	172	877	153
1999	Year	3404	201	2013	59	153	966	202
2000	Year	3034	142	2029	36	79	745	231
2000	1st qtr	779	64	462	8	20	225	67
2001	1st qtr	589	16	399	9	14	149	88

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Editorial

Low demand and tightening supply

A quick glance at the economic statistics should be enough to convince even the most optimistic observer that the hardwood industry is in for a bumpy ride during the second half of 2001. America's economic growth seems to have fallen close to zero in the second quarter and this has led to slumping hardwood sales. Hardwood demand in Japan has been subdued now for some considerable time and is likely to remain so. Japan, it appears, has already slipped into another recession. Although the economies of the euro area are still growing, the pace of growth has slowed more sharply than expected. Meanwhile manufacturers of finished hardwood products in all these regions are coming under intense pressure from rising levels of import.

Against this background of slowing demand, it is remarkable that analysts are already predicting hardwood shortages in some parts of the world later in the year. In a recent Editorial, the US journal Weekly Hardwood Review suggests "all signs point to supply shortages within the next 12 months". The Editorial claims that "this year alone curtailments and closures will drop [US] production 24% below 2000 levels, to about 10.7 billion board feet, the lowest level in the past 10 years". It goes on to note "the new willingness on the part of [US] sawmill owners to reduce or stop production rather than operate at a loss." Weekly Hardwood Review is focused on the United States and their analysis refers primarily to shortfalls for the US domestic industry. But because the US is the world's largest single market, producer and exporter of hardwood sawn lumber, these comments have global relevance.

And reports of falling production are emerging in other major supplying countries. Within the EU, while there are still large stocks of steamed storm-felled beech, production of new-season "white" beech has been much reduced this year following the decision of the French public authorities not to harvest undamaged stems. In the tropics, production trends have been downward for some time. Figures recently released by ITTO show that between 1997 and 2000 production of tropical logs in ITTO producer countries declined from 127 million m3 in 1997 to 111 million m3, while sawn lumber production fell from 36.0 million m3 to 32.9 million m3. Tropical production fell last year despite globally bouyant demand and an expansion in the international hardwood trade.

Anecdotal evidence suggests that production of tropical logs and lumber may have fallen even more dramatically this year. Throughout many of the major tropical exporting countries there are reports that inventory levels are considerably lower than usual for the time of year. In South East Asia, log supplies are restricted and Malaysian millers have curtailed production in response to falling demand. China is now much more dependent on imports as domestic resources have been reduced. In Africa, three of the major producing countries - Cameroon, Ghana and Ivory Coast - are being forced to restrict harvesting as government controls have tightened. Large parts of the Congo basin are still off-limits due to conflict. In South America, while production of many of the lower value species may be in excess of demand this year, there are major restrictions on production of mahogany, the most valuable of all Amazonian hardwoods. So while the economic data suggests that the second half of 2001 may be characterised by relatively subdued global demand for hardwoods, the production data indicates that this may be matched by relatively low levels of supply. Looking further ahead, many analysts are optimistic that the global economic downturn, while sharp, may be relatively short-lived. Continuing consumer confidence in the US, coupled with interest rate and tax cuts, have raised hopes that the US economy will recover during 2002. This in turn may boost confidence in Europe and Asia. So while many hardwood traders have been affected by slow demand and high inventories in the first half of 2001, market conditions may be reversed by the beginning of next year. There may be shortfalls in supply as demand begins to rise. This would feed through into price adjustments, and may add impetus to the search for alternative sources of hardwood supply. A major beneficiary may be Eastern Europe - one of the few regions of the world where hardwood lumber production has been increasing.

Rupert Oliver Editor

Africa

Market report Heavy rain hits production

Producing regions in West and Central Africa north of the equator are now experiencing heavy rains. As usual at this time of year, many mills are shutting down operations for maintenance work and vacations. European forward demand for African hardwoods is subdued as importers are still working through stocks built up earlier in the year and as the holiday season beckons. Worsening economic conditions in the Far East have led to slower buying there. However there are reports of reasonable forward demand for African hardwoods in the UK during May and June. Although there is talk of lower prices for certain species as demand has weakened, stocks in Africa are restricted for the time of year and many exporters have been unwilling to reduce prices to boost sales.

■Sapele: forward demand from continental European importers slowed during the second quarter of the year following heavy arrivals in the first quarter and mounting economic uncertainty. Wide availability of low priced Malaysian meranti in northern Europe may also be reducing demand for sapele, although some agents argue that meranti and sapele now occupy different market niches and there is less direct competition. With vacations on the horizon, no significant pick-up in demand is now expected until August at the earliest.

Airiouri Guw	n Indica	itive P	rices
	<u>Apr</u>	<u>May</u>	<u>Ju</u>
Exchange rates Fr.F/£	10.56	10.88	10.9
ΓΙ.Γ/ દ	10.50	10.00	10.9.
Cameroon, CAI	R, Congo	(Braz.)	
Fr. Francs/m3, FOB			
Grade and size: FAS			
Sapele	3450	3400	350
Sipo	4400	4400	440
Bibolo	2600	2600	260
N'Gollon	3500	3500	350
Afrormosia	5600	5600	560
Iroko	3650	3600	360
Fr. Francs/m3; FOB Grade: FAS, air dried	l ,	6'+ avg 10	ı'_11'
Cote d'Ivoire Fr. Francs/m3; FOB Grade: FAS, air dried Size: width 6"+ avg 9 thickness 1"-2"	l ,	6'+ avg 10)'-11',
Fr. Francs/m3; FOB Grade: FAS, air dried Size: width 6"+ avg 9	l ,	6'+ avg 10 3450	
Fr. Francs/m3; FOB Grade: FAS, air dried Size: width 6"+ avg 9 thickness 1"-2"	l "-10"; length	ū	9'-11', 345 275
Fr. Francs/m3; FOB Grade: FAS, air dried Size: width 6"+ avg 9 thickness 1"-2" Iroko Mahogany Framire	3450 2750 2150	3450 2750 2150	345 275 215
Fr. Francs/m3; FOB Grade: FAS, air dried Size: width 6"+ avg 9 thickness 1"-2" Iroko Mahogany Framire	3450 2750	3450 2750	345 275 215
Fr. Francs/m3; FOB Grade: FAS, air dried Size: width 6"+ avg 9 thickness 1"-2" Iroko Mahogany Framire Samba No.1 C&S	3450 2750 2150	3450 2750 2150	345 275 215
Fr. Francs/m3; FOB Grade: FAS, air dried Size: width 6"+ avg 9 thickness 1"-2" Iroko Mahogany Framire Samba No.1 C&S Dimension stock	3450 2750 2150	3450 2750 2150	345 275 215 154
Fr. Francs/m3; FOB Grade: FAS, air dried Size: width 6"+ avg 9 thickness 1"-2" Iroko Mahogany Framire Samba No.1 C&S Dimension stock	3450 2750 2150 1540	3450 2750 2150 1540	345 275 215 154
Fr. Francs/m3; FOB Grade: FAS, air dried Size: width 6"+ avg 9 thickness 1"-2" Iroko Mahogany Framire Samba No.1 C&S Dimension stock Azobe	3450 2750 2150 1540	3450 2750 2150 1540	345 275 215 154 2600 300
Fr. Francs/m3; FOB Grade: FAS, air dried Size: width 6"+ avg 9 thickness 1"-2" Iroko Mahogany Framire Samba No.1 C&S Dimension stock Azobe	3450 2750 2150 1540 2600/ 3000	3450 2750 2150 1540 2600/ 3000	345
Fr. Francs/m3; FOB Grade: FAS, air dried Size: width 6"+ avg 9 thickness 1"-2" Iroko Mahogany Framire Samba No.1 C&S Dimension stock Azobe	"-10"; length 3450 2750 2150 1540 2600/ 3000 1950/	3450 2750 2150 1540 2600/ 3000 1950/	345 275 215 154 2600 300 1950
Fr. Francs/m3; FOB Grade: FAS, air driec Size: width 6"+ avg 9 thickness 1"-2" Iroko Mahogany Framire Samba No.1 C&S Dimension stock Azobe Dabema Gabon	"-10"; length 3450 2750 2150 1540 2600/ 3000 1950/	3450 2750 2150 1540 2600/ 3000 1950/	345 275 215 154 2600 300 1950
Fr. Francs/m3; FOB Grade: FAS, air dried Size: width 6"+ avg 9 thickness 1"-2" Iroko Mahogany Framire Samba No.1 C&S Dimension stock Azobe Dabema Gabon Fr. Francs/m3, FOB	"-10"; length 3450 2750 2150 1540 2600/ 3000 1950/ 2550	3450 2750 2150 1540 2600/ 3000 1950/ 2550	345 275 215 154 2600 300 1950
Fr. Francs/m3; FOB Grade: FAS, air dried Size: width 6"+ avg 9 thickness 1"-2" Iroko Mahogany Framire Samba No.1 C&S Dimension stock Azobe Dabema Gabon	"-10"; length 3450 2750 2150 1540 2600/ 3000 1950/ 2550	3450 2750 2150 1540 2600/ 3000 1950/ 2550	345 275 215 154 2600 300 1950

However European agents report that stocks in Africa are very low for the time of year due to resource constraints in West Africa and the imposition of tighter logging controls in Cameroon. Prices therefore remain firm.

- ■Iroko: the crucial Irish market still has reasonable stocks after heavy arrivals early this year, and underlying demand has been undermined as economic growth has fallen from the heights of last year. There are stocks of iroko on offer and available for shipment from Ghana and Ivory Coast, but shippers are resisting lower prices.
- ■Wawa: demand for Ghanaian wawa is good, with the relatively restricted volumes available reported to be oversold. The ongoing dispute between industry and government in Ghana over export duties has meant that contracts are running late. Prices are stable for the time being at around £225-230/m3 inclusive of agents commission for kiln dried delivered to the yard in the UK. Price rises of perhaps £5 to £10/m3 are anticipated later in the year due to implementation of the new export duty.

Country notes

- ■Cameroon: as usual, many companies' logging allocations ran out by the end of April. New logging quotas officially begin on 1 August. In past years, the authorities have allowed some use of next season's quota during June and July. This year the Cameroon authorities have withheld allocation until the official start of the logging season, so mills are being deprived of logs over the two month period. This factor, added to tighter logging controls and the recent arrival of heavy rain, has meant that supplies in Cameroon are limited for the time of year and contracts are running late.
- ■Ghana: availability of supply is now very restricted and may remain so. It now seems likely that the extra export duty on lumber and veneers will be imposed, although the rates are undecided. At present there is talk of a 10% duty on lumber, a 3% duty on sliced and rotary veneer, and a 1% duty on mouldings. The duty would be in addition to all existing taxes. The duty on lumber is expected to be implemented retrospectively to apply from mid April. The duty on other products is expected to apply from 1 July.
- ■Gabon: Export data for the year 2000 indicates that Gabon recovered from the serious problems experienced during the previous year. Log exports were up around 9%, much of this resulting from an increase in exports of okoumé (up over 6%). More

African logs	indicat	tive pr	ices
_	<u>Apr</u>	May	June
Exchange rates Fr.F/£	10.56	10.88	10.92
CAR & Congo (E	Brazzavil	le)	
	3 Douala	\	
Grade: B+ & better (go All diameters in cm	od UK sawi	ng quality)	
N'gollon			
70+ (20% 60-69)	1500	1500	na
Bosse 60+	1650	1650	na
Ayous 70+ Sapele	1200	1200	na
80+ (20% 70-79)	1950	1950	na
Sipo			
80+ (20% 70-79)	2500	2500	na
Gabon			
Fr. Francs/m3; FOE	3 Douala		
Grade: B+ & better (go All diameters in cm	od UK sawi	ng quality)	
A!			
Acajou 70+ (20% 60-69)	1200	1200	na
Sipo	.200	.200	
70-79 (10% 60-69)	2100	2100	na
80-99cm	2450	2450	na
Liberia			
US\$/m3, FOB Liberia			
Grade: B+ & better (go All diameters 60 cm+	od UK sawi	ng quality)	
All diameters 60 cm+	200	200	190
Walnut	200	200	190
Iroko	280	280	270

than half of all Gabon's log exports went to Asia, with China now the number one importer. Gabon continues to expand the range of species exported: over 50 were exported last year.

130

Kusia (Opepe)

120

- ■Liberia: Liberian log prices quoted in dollars have been reduced to reflect the continuing strength of the dollar. A Liberian Forest Development Authority publication is reported as showing a record income of US \$20 million derived from logging in the first half of this year. Liberian officials suggest the real figure may be even higher. Liberia's Minister of Agriculture is quoted by international press agencies as suggesting that logging is now so widespread in Liberia that it is contributing to altered weather patterns and severe flooding which has affected several towns and villages over recent weeks.
- ■Congo Basin: the International Tropical Timber Council agreed at their 30th Session held in Cameroon in May to send a mission to the five Congo Basin countries to strengthen sustainable forest management and forest protection. The Council also approved projects worth about US\$2 million to support forest management and conservation in Congo Basin countries, with the immediate release of about US\$1 million in funding. The Congo Basin comprises Cameroon, Congo-Brazzaville, Congo-Kumasi, Gabon, and the Central African Republic.

SE Asian sawn lumber

European stocks linger on

Trading conditions for South East Asian lumber producers remain very difficult. Forward demand in Europe is restricted and continues to be hampered by the strength of the dollar against the euro. There also continue to be reports of high stocks in continental Europe, notably in the Netherlands, the leading market for Malaysian dark red meranti and seraya. These stocks were built up during the course of last year when large quantities of wood from the Indonesian island of Sumatra were shipped over to Peninsular Malaysia for kilning and re-export at relatively low prices to Europe.

Dutch wait for better prices

There are some reports that Dutch importers are holding onto a significant proportion of this stock in the hope that prices on the ground in Europe will rise later this year. A number of leading Dutch importers will be visiting major Malaysian suppliers during the course of the European summer to get a clearer idea of the forward supply situation. There are reports that forward demand in the UK may have picked up a little in recent weeks as stocks have been reduced during the long period when importers were shy of

Asian Sawn Lumber Indicative Prices

Exchange rates:	<u>Apr</u>	<u>May</u>	<u>Jun</u>
M\$/£	5.46	5.40	5.34
U\$/£	1.44	1.42	1.41
M\$/US\$	3.80	3.80	3.80
Malaysia			
All prices US\$/ton, C&F	UK port		
West Malaysian Darl	k Red Me	eranti	
Grade: Select & better G Size: Width 6"+ avg 7"/8	,		/14'
1"	715	690	680
2"	735	700	690
2.5"	750	720	710
3"	770	740	730
Keruing			
Grade: Standard & Bette Size: Random or fixed 16			
1"-3"	520	520	520
Kapur Grade: Standard & Bette Size: Width 6"+, avg 7"-6		16'+	

Myanmar Teak

1"-3" plnd

US\$/50 cu ft, FOB Rangoon/Bangkok/Singapore Grade: Air dried boards

Size: Width 6"+ avg 8", Length 6'+ avg 8'

1" 2750/ 2750 2750 3500 3500 3500

Note private-sector prices for Myanmar teak boards vary considerably from one mill to the next. Prices from the cheapest private mills in Myanmar currently start at the lower end of the range. The most expensive mills, many based in Singapore and Bangkok, are selling boards from best quality teak logs at the top end of the range.

the forward market. The low prices now being offered for Malaysian meranti compared to those for African sapele, despite the strong dollar, may also have encouraged UK importer interest.

Malaysian shippers of sawn lumber, many of which are now suffering financial difficulties as demand and prices have fallen, are not finding much relief in regional markets. China is progressively shifting towards log imports and beginning to emerge as a competitor in the supply of lumber, while demand for Malaysian lumber in Japan remains very subdued. The Japan Lumber Journal notes that, although inventories of South East Asian lumber in Japan are now much reduced, and some items are in scarce supply, there is an increasing tendency to replace these with other species. There are reports of bankruptcies amongst small and medium sized firms supplying tropical lumber to the Japanese construction sector.

Low production

On the supply side, lumber production in Malaysia is very low this year, and inventories are well down on previous years. At present conditions are very dry in the major producing regions, and this has disrupted river transport of logs. Supplies of all tropical hardwood products from Indonesia are being disrupted by the unstable political situation. Despite low inventories in the Far East, weak demand has meant that prices for dark red meranti and seraya remain depressed.

Due to slow demand, the flow of wood from Sumatra into Peninsular Malaysia is insignificant compared to last year. Malaysian timber exporters are also reported to be pushing for a ban on imports of Indonesian sawn lumber in the hope of preventing prices falling any further.

Sawmills in Sabah have very low logs stocks and lumber production is much curtailed this year. The *Japan Lumber Journal* reports that millers in the state have been discussing possible log imports from Indonesia. However the political situation in Indonesia suggests that obtaining reliable supplies from this region will also be difficult.

CITES ban trade in ramin

The UN Convention on International Trade in Endangered Species (CITES) has confirmed that as from 9 August ramin will be placed on Appndix III of the Convention with zero quota. This means that the 153 member states of CITES will no longer be able to import Indonesian ramin in any form.

China

Log imports up 27%

China's log imports in the first quarter of this year were 27% up on the same period during 2000 reaching 3.56 million cubic metres. Imports of softwood logs (primarily from Russia) grew more strongly than hardwood log imports (primarily from Malaysia, Gabon and PNG). However, imports of sawn lumber and plywood both declined in the first quarter, highlighting the trend towards increased processing within China itself. Sawn lumber imports fell to 759,800 m3, down from 789,000 m3 in the same period last year. China is developing its own plywood manufacturing capacity, a fact reflected in the 11.2% fall in imports of finished plywood during the first quarter.

China Woo	od Productions	•	orts
Million m3	Jan-Mar J	an-Mar	%
	2000	2001	chng
Logs	2.80	3.56	27
Softwood	1.21	1.75	45
Hardwood	1.60	1.81	13
Sawn lumber	0.79	0.76	-4
Plywood	0.22	0.19	-11

Details of phytosanitary rules

The following details of the phyto-sanitary requirements for log imports into China, effective from 1 July 2001, have been issued by the Government of China:

- ■Imported logs must bear a phytosanitary certificate issued by the official quarantine authorities of the exporting country.
- ■The certificate should attest that the logs are free from soils and quarantine pests of concern to China or pests specified in bilateral plant quarantine agreement.
- ■Imported logs with bark should have gone through effective quarantine treatment in the exporting country and the method, chemical and dosage, duration and temperate of the treatment used in the process should be clearly indicated in the Phytosanitary certificate.
- ■On the other hand, imported logs free of bark need only be declared in the phytosanitary certificate.
- Failing to comply to these requirements will result in non-entry of imported logs into China
- Logs entering the Chinese ports will subject to further inspection by the China Inspection and Quarantine (CIQ) authorities.
- Should quarantine pests be discovered, the log importers will be required to conduct

Asia

the quarantine treatment under close supervision of CIQ and the costs incurred in this respect will be borne by the importer. If the treatment is not conducted, the logs then will face a return shipment.

■Customs authorities at each China entry ports have been instructed to enhance supervision on imported logs.

The Chinese authorities have also indicated that the regulations will not discriminate either by species or type of pest. Contrary to requests from supplying countries for China to be more explicit on acceptable treatment measures, the Chinese authorities have said only that they will rely on proven procedures of the exporting country.

In Europe, discussions have been initiated between the European Commission and respective national authorities to harmonise the approach adopted by European countries.

Indonesia

Paper industry encroaches on natural hardwood forests

Up until the mid 1990s, the government of Indonesia took steps to make the country the largest producer of hardwood plywood. Now a recent study by Chris Barr for the Center of International Forestry Research (CIFOR) has revealed a new trend in the Indonesian forest sector. Pulp and paper companies are scrambling to obtain access to the remaining large areas of natural forest. The report suggests that a handful of Indonesian conglomerates expanded the

country's pulp and paper mill capacity by 700% since the late 1980s, elevating Indonesia to one of the world's top ten pulp and paper producers.

To encourage inward investment into the sector, the pulp and paper producers had said they would obtain raw material from sustainably managed plantations. However Barr's research suggests that only 8% of wood consumed by the mills comes from plantations. The rest is mixed hardwood from natural forests, a significant proportion from "undocumented" sources.

Cheap access

The rapid expansion of the pulp and paper industry in Indonesia was fueled by the government's willingness to give companies cheap access to natural forests, and also through the allocation of grants through the country's Reforestation Fund. Barr estimates that 800,000 hectares of natural forest may have been cleared since 1988 to supply Indonesia's pulp mills. During that period, the combined production capacity of these mills increased from 600,000 tonnes to 5 million tonnes.

Pulp producers are now beginning to bring extensive plantations on line, however Barr suggests that the largest mills are unlikely to obtain more than half their fibre supply from plantations until at least 2007. In the meantime, as the mills exhaust available wood supplies near their base in Sumatra, they may look further afield to the forests of Kalimantan and Irian Jaya (Papua) for raw material. *Source: CIFOR News, April 2001*

Japan Cont. from page 1

big gains.

Changes too are apparent in Japan's temperate hardwood trade. During 2000, imports of logs increased partly at the expense of lumber. A larger proportion of temperate hardwoods are also being sourced from China.

Japan's imports of US hardwood logs increased significantly last year, which may be a reflection of the weak yen which encouraged conversion in Japan rather than the US. Imports of hardwood logs from China also shot up by 74% last year, apparently taking market share from Russian suppliers. Imports of Russian hardwood logs, which account for 80% of the total, decreased by 4.1%. Oak dominates Japan's temperate hardwood log imports accounting respectively for 133,000 m3, 56,000m3 and 16,000 m3 of Russian, US, and Chinese supply.

During 2000, temperate hardwood lumber imports into Japan fell by 2.1% compared with the previous year. This was due to a significant drop in imports of US hardwood lumber. Imports from both China and Russia increased – again with much of the focus on oak. Japan imported around 34,000 m3 of oak lumber from China last year. Imports of US temperate hardwood consisted primarily of oak, ash, tulipwood and western red alder.

Japan Temperate Hardwood Imports Source: Japan Lumber Journal

000s m3	1998	1999	2000
Logs			
U.S.	60.6	61.6	67.8
China	26.9	18.9	32.8
Russia	280.6	361.0	346.2
Lumber U.S. China Russia	114.6 77.9 0.2	138.4 102.0 0.9	116.1 113.8 3.8

North America

Domestic demand

Second half rebound?

The Federal Reserve lowered interest rates a further 0.25% to 3.75% on 27 June, continuing one of the most aggressive campaigns of monetary easing on record. Interest rates have now fallen 2.75% since the start of the year. The Fed's decision came at a time when many analysts believe that US business conditions, while not good, do not appear to be getting worse. Most manufacturers are already in the throws of recession. Industrial output fell 0.8% in May, double what many analysts had been predicting and the eighth straight month of decline. According to the Fed's own "beige" book – an overview of economic conditions throughout the US – virtually every industry is showing weakness.

Some good news

But there have been glimmers of good news to bolster confidence. The housing sector, which has remained bouyant while other sectors have sunk, is continuing to do well. New house sales were up 0.8% in May, and during the first 5 months of this year Americans bought more houses than during any other similar period on record. Another positive factor, and one which is particularly important for a return to growth, is that consumer confidence has been remarkably resilient, despite high levels of consumer debt and the failing stock market. Consumer confidence rose in June for the second consecutive month.

The economy should also start to benefit later this year when Americans get there first tax-rebate cheques from the Bush administration. With luck, these factors may allow America to climb out of its economic hole during the second half of the year.

Lacklustre hardwood demand

In the meantime, hardwood demand from US manufacturers has been lacklustre. At time of going to press, US manufacturers were preparing to shut down operations over the 4th of July vacation, with downtime varying from one day to several weeks in some cases. Manufacturing activity had been winding down progressively in the weeks prior to the vacations.

The furniture sector - particularly important for Appalachian hardwoods - is very slow, and there is much debate over the long term repercussions of increasing penetration by overseas suppliers into the US market. The furniture sector is also having to adjust to major restructuring in the retail sector. Several large chain stores have gone out of business leading to financial losses for

North America

Cont. from page 5

furniture manufacturers. Some manufacturers are now considering longer than usual periods of closure over the summer months.

However demand from strip flooring and cabinet manufacturers has remained reasonably active and is expected to pick up quickly after the holiday period.

Margins are tight and competition amongst hardwood suppliers is intense. Cash flow is a problem for many producers. There are reports that downward pressure on hardwood sawn lumber prices has been easing during June and inventories are better matched to slow demand. However for certain species and grades prices are highly variable.

As inventories of lumber have been reduced, some hardwood suppliers suggest that there may be supply shortfalls if there is a significant pick up in demand during the second half of the year.

Export marketsWinding down for the summer

European demand for American hardwoods has been relatively subdued during June, and is expected to wind down further during the summer months. European importers are being cautious, deterred by evidence of economic cooling, notably in Germany, and

US sawn lumber indicative prices

North Appalachian US\$ MBF* CIF- W. Europe Grade: 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

0.4238 MBF			
	<u>Apr</u>	<u>May</u>	<u>Jun</u>
\$/£	1.44	1.42	1.41
\$/Euro	0.89	0.86	0.84
Red oak			
1"	1825	1750	1750
1.25"	1925	1850	1850
1.5"	1975	1900	1900
2"	2325	2250	2250
White oak			
1"	1450	1550	1550
1.25"	1600	1650	1650
1.5"	2075	2200	2200
2"	2650	2650	2650
Ash			
1"	1225	1200	1200
2"	1625	1450	1450
Tulipwood			
1"	975	950	950
1.25"	1025	1000	1000
1.5"	1125	1100	1100
2"	1150	1125	1125
Cherry			
1"	3600	3600	3600
1.25"	3700	3700	3700
1.5"	3800	3800	3800
2"	4000	4000	4000
Hard Maple			
1"	2575	2400	2400
1.25"	2725	2550	2550
1.5"	2975	2750	2750
2"	3025	2800	2800

the continuing strength of the dollar against European currencies. Stocks of American hardwood throughout much of Europe, with the possible exception of Spain, are widely reported to be low.

At some point, European importers will have to re-enter the market to replace depleted stocks. This may begin to happen after the summer recess in September. However the rate of purchasing in the Autumn is dependent on many factors all currently uncertain: the direction of the dollar-euro exchange rate; prices and availability of American hardwoods after of a period of inventory adjustment in the US and Canada; and the availability of alternatives, notably East European hardwoods.

Competition from East Europe

EU-wide import data during 2000 indicates that there was growth in Western European imports of sawn lumber from Eastern European countries — notably Poland, Romania, Bosnia, Croatia, Hungary and Ukraine. Import growth from Eastern Europe was from a relatively small base and the overall level of trade was still restricted last year. However anecdotal evidence suggests that competition from Eastern Europe is intensifying this year, with frequent reports that both the availability and quality of Eastern European production are improving and that prices are competitive.

Market conditions for American hardwoods vary between countries in Europe:

- ■Germany: the economy remains in the doldrums and American hardwood demand is currently slow in both the furniture and construction sectors, with slightly better performance in the flooring sector.
- ■France: After a buoyant year in 2000, sales have been less brisk this year. The French furniture industry has slowed, a factor which has already led to the demise of several large manufacturers during the course of 2001.
- ■Spain:Underlying demand remains good, with continued growth in manufacturers interest in white oak, rising demand from red alder, steady demand for hard maple, and slight weakening in demand for cherry. Stock levels began to build up during the first half of the year, and efforts are now being made to reduce these against expectations that the dollar may weaken against the euro later in the year.
- ■UK: importers continue to buy just-in-time, an attitude encouraged by recent weakening of sterling against the dollar. Supplies of Eastern European hardwoods to the UK have so far been relatively restricted, but there are some reports of increased offers at competitive prices.

■Italy: importers have been buying a fair volume of wood during the second quarter of the year, although well down on last year as many prefer to maintain low stocks. Price competition has been intense.

Mixed picture in the Far East

Reports from the Far East suggest that buying of American hardwood lumber in Greater China has remained reasonably active, despite reports that some Chinese furniture manufacturers have been forced to reduce production in response to slowing export demand. Demand from Japan, Indonesia, and South Korea has been subded during the second quarter of the year, but there has been more interest from buyers in Malaysia and Thailand. However these last two markets still absorb only limited volumes.

Overall US export markets remain subdued and highly competitive. Importers are aware of the underlying weakness of the US market and are confident of their ability to shop from one supplier to the next to obtain better prices. In Europe at least, the feeling that the dollar may be overvalued and could weaken later in the year, has provided another incentive to hold back on purchases.

Species breakdown

- ■Ash: Domestic demand remains limited both for furniture and cabinet manufacturing. Buying is also slowing due to current holiday schedules. Ash exports to Japan and the UK are only fair for sellers with long term customers, and slow for others. Demand for lower grades has been slow in Mexico, but steady in Asia. American yards have much reduced their inventories of ash, but availability is still sufficient to meet current levels of demand. Buyers are being more demanding on specification for colour, texture, lengths, widths, and/or thickness.
- ■Cherry: Domestic consumption has been hit by weakness in the furniture sector. Cherry exports to Europe have been slowing, although there are some reports of marginally improved demand in Scandinavia and Belgium. In these markets cherry may have lost some of its fashion appeal as a show wood. However there are some indications of growing interest in China. Mills have responded to current weak demand by severely curtailing production. Prices for FAS&1F grades have remained reasonably steady. Prices for common grades have been more unstable.
- ■Hard maple: Major efforts have been underway to work down log inventories to manageable levels as the risk of staining has increased in the warmer weather. But

North America

resale operations is slow, with many planning lengthy shutdowns over the summer season. Companies dealing in green stocks face major problems in processing and offloading supply and therefore green lumber prices, particularly of the lower grades, are still very variable. The market for kiln dried and higher grade hard maple is competitive. However there are indications that downward pressure on prices for these products has eased somewhat in recent weeks as resale operations have reduced inventories to better reflect demand. Shipments of random widths to Europe have been slower, but demand for dimension and strips has been reasonable. Exports of lower grades to China, Korea and Thailand have remained steady.

- ■Soft maple: markets for soft maple are increasingly competitive. Stocks in the US are moving, but only with a considerable effort. Demand from the US furniture sector remains weak, and is expected to slow further during the summer recess. There is now less interest in soft maple as a substitute for cherry. Prices have been sliding.
- ■Red oak: Market conditions vary widely depending upon the region of the US and grade, but most reports suggest highly competitive conditions and soft prices. As demand for other species such as hard maple and cherry has weakened, many American mills and resale operations have shifted the focus of their activity to red oak. This has led to an influx of green and kiln dried lumber just at a time when US and overseas demand was weakening due to problems in the manufacturing sector. Domestic demand has also slowed during the run-up to the Fourth of July holiday. European demand has been subdued in the run-up to the vacation period. Demand in Belgium, the largest European market, has been hit by a downturn in manufacturing. There are hopes that domestic and export business may begin to rebound later in the summer, and efforts are already being made to reduce both green and kiln dried production which may encourage greater price stability. Demand for lower grades from the Far East and Mexico has been reasonably steady.
- ■White oak: market conditions are difficult both within North America and overseas, particularly since the onset of the summer vacation period. This period is usually prolonged in southern European countries which provide a major outlet for white oak. Sales to Spain have slowed as importers seek to reduce inventories. Another major market, Germany, is suffering a bout of

US export statistics

US export data for the first four months of this year reveals some significant trends.

- ■US hardwood log exports have risen dramatically to the EU, Japan and Greater China (China, Hong Kong and Taiwan). This may reflect the strength of the dollar against both the yen and the euro, which means that processing logs in the importing country is more economical than importing sawn lumber. In Greater China, the trend reflects several factors including: the strong growth in China's furniture sector; rising investment in new wood processing capacity in China; and a partial switch away from European beech this year.
- Log exports to South East Asia (Indonesia, Malaysia, Philippinnes, Singapore, and Thailand) have declined, reflecting economic problems in these countries partly due to the fall in export demand in the US itself and increased competition from mainland China.
- ■US exports of hardwood lumber this year are well down on last year's levels: vivid confirmation of the global economic slowdown. Lumber exports to the EU have been particularly weak, as importers have been maintaining low stock levels as the euro has remained weak against the dollar, and as economic uncertainty has mounted, notably in Germany.
- ■China is the exception on world markets, with US lumber exports to this destination continuing to increase this year.
- ■US exports of veneer have held up more strongly than lumber exports. The EU has actually marginally increased purchases, a sign perhaps that there is life in the European furniture sector, and also that manufacturers continue to shift to veneers from solid wood as a cost saving measure.
- By contrast, Japan's US hardwood veneer imports have fallen dramatically this

US Har	dwood I	Exports	
	Jan-Apr	Jan-Apr	%
	2000	2001	Chng
Hardwood logs	s (000 m3	3)	
World	700	875	25
EU	110	133	21.1
Southeast Asia	26	18	-30.2
Greater China	26	36	42.3
Japan	46	57	23.4
Hardwood lum	ber (000	m3)	
World	1,026	923	-10
EU	315	262	-16.9
Southeast Asia	35	33	-7.2
Greater China	120	130	8.3
Japan	50	43	-14.2
Hardwood ven	eer (000	m2)	
World	102,271	104,908	2.6
EU	45,648	48,431	6.1
Southeast Asia	4,357	3,251	-25.4
Greater China	8,718	9,986	14.5
Japan	2,174	832	-61.7
Hardwood plyv	wood (00	0 m3)	
World	54	42	-22.6
EU	2	1	-76.6
Southeast Asia	0	0	-32.6
Greater China	0	0	2100
Japan	1	2	32.1
Hardwood floo	ring (000	m2)	
World	927	1,013	9.2
EU	91	164	79.3
Southeast Asia	6	9	61
Greater China	7	1	-82.3
	400	4.0	

year, perhaps due to intense competition for Japanese furniture manufacturers from factories in China.

- ■US exports of hardwood flooring have risen this year, with particularly strong growth in sales to the EU. In part this trend may reflect the growing fashion for wood flooring in parts of Europe, and also weakening of the US domestic market which has led to increased availability of product for export.
- ■However Greater China, never a major buyer of US flooring, has decreased purchases significantly this year, perhaps due to the development of China's domestic manufacturing sector.

economic illness. Buyers everywhere are restricting purchases to immediate needs. Production has been curtailed, but availability is still sufficient to meet current levels of subdued demand.

■Tulipwood: efforts are being made to reduce inventories in the US in response to weak demand and summer slowdown. However supplies are still more than sufficient to satisfy current levels of demand and prices are showing signs of weakness. US producers are concerned about the long term implications of recent closures in the furniture sector on domestic demand,

particularly for lower grades. Suppliers are making additional sorts for length, width, and/or color, and to offer a variety of thicknesses and grades in an effort to help generate buyer interest. Export demand for higher grades in Italy remains highly competitive and price sensitive. Sales of lower grades to China and Mexico have also been slower.

■Walnut: demand for walnut continues to be good, both in lumber and log form. China is becoming an increasingly important market, and supplies are currently insufficient to meet demand.

UK imports

	<u>ייי</u>		
Value (euro 000s)	1999	2000	% chg
Tropical Log	S		
CAMEROON MALAYSIA	10005 1595	4381 1727	-56.2 8.3
GERMANY	415	1511	264.1
INDONESIA	274	955	248.5
IVORY COAST GABON	1199 1119	936 832	-21.9 -25.6
GHANA	1466	768	-47.6
OTHER TOTAL	2758 18831	3817 14927	38.4 -20.7
Beech Logs	10001	14021	-20.1
FRANCE	12	221	1741.7
DENMARK	91	118	29.7
ROMANIA BELGIUM	440 46	39 13	-91.1 -71.7
POLAND	0	12	0.0
CANADA	0 16	11	0.0 -93.8
GERMANY OTHER	43	1 0	-100.0
TOTAL	648	415	-36.0
Oak Logs			
U.S.A. FRANCE	3655	3990 542	9.2
CANADA	120 76	129	351.7 69.7
ROMANIA	9	108	1100.0
MALAYSIA IRISH REPUBLIC	157 10	99 78	-36.9 680.0
LATVIA	0	51	0.0
OTHER	232	118	-49.1 20.1
Othor Hordy	4259	5115	∠0.1
Other Hardw U.S.A.	OOD L	.ogs 10227	72.1
LATVIA	3714	3721	0.2
CANADA	3225	2329	-27.8 -88.6
ESTONIA RUSSIA	9206 302	1053 478	-88.6 58.3
FRANCE	217	368	69.6
GERMANY OTHER	175 454	274 788	56.6 73.6
TOTAL	23234	19238	- 17.2
Tropical Saw	n Lur	nber	
MALAYSIA	32823	37696	14.8
CAMEROON NETHERLANDS	9455 11265	23137 11951	144.7 6.1
IVORY COAST	5887	10997	86.8
GHANA	9426	10289	9.2
BRAZIL LATVIA	9654 544	8177 6897	-15.3 1167.8
INDONESIA	4519	6050	33.9
U.S.A.	835	3860	362.3
BELGIUM GERMANY	2092 2049	2715 2600	29.8 26.9
SINGAPORE	1646	1893	15.0
OTHER TOTAL	10229 100424	9198	-10.1 34.9
Beech Sawn		135460 hor	J-4.3
GERMANY	15333	15629	1.9
DENMARK	2365	2113	-10.7
FRANCE SLOVENIA	1464 60	1394 722	-4.8 1103.3
ITALY	116	641	452.6
ROMANIA	457	438	-4.2
BELGIUM U.S.A.	394 1061	372 224	-5.6 -78.9
IRISH REPUBLIC	24	164	583.3
CANADA OTHER	297 635	71 491	-76.1 -22.7
TOTAL	22206	22259	-22.7 0.2
Oak Sawn Li			
U.S.A.	38723	48584	25.5
FRANCE CANADA	5948 5350	13286 6985	123.4 30.6
ESTONIA	1925	4217	119.1
GERMANY	1069	2140	100.2
NETHERLANDS BELGIUM	954 327	1510 825	58.3 152.3
UKRAINE	49	332	577.6
RUSSIA	648	314	-51.5
LATVIA OTHER	92 775	257 1450	179.3 87.1
TOTAL	55860	79900	43.0
Other hardw			_
U.S.A. LATVIA	32796 17965	36934 24818	12.6 38.1
CANADA	12990	15990	23.1
ESTONIA	3695	8977	142.9
SWEDEN FINLAND	4032 2024	3118 1396	-22.7 -31.0
DENMARK	305	1219	299.7
FRANCE	782	968	23.8
GERMANY SPAIN	889 1147	947 705	6.5 -38.5
OTHER	1668	2259	35.4
TOTAL	78293	97331	24.3
		E074	05.0
Tropical Ven		5671	25.8
SOUTH AFRICA	4507 3219	2873	-10 7
SOUTH AFRICA GERMANY U.S.A.	3219 3316	2873 2155	-10.7 -35.0
SOUTH AFRICA GERMANY U.S.A. GHANA	3219 3316 3036	2155 2035	-35.0 -33.0
SOUTH AFRICA GERMANY U.S.A.	3219 3316	2155	-35.0
SOUTH AFRICA GERMANY U.S.A. GHANA FRANCE	3219 3316 3036 955	2155 2035 1630	-35.0 -33.0 70.7

Value			0/
(euro 000s)	1999	2000	% chg
Other Hard			
U.S.A.	13508	16396	21.4
GERMANY BELGIUM	8681 5599	11772 4651	35.6 -16.9
ITALY FRANCE	1453 2395	4162 3594	186.4
CANADA	1669	2091	50.1 25.3
OTHER TOTAL	5807 39112	3709 46375	-36.1 18.6
Softwood V			10.0
U.S.A.	5996	5374	-10.4
GERMANY PORTUGAL	3551 1915	3230 2050	-9.0 7.0
ITALY	721	917	27.2
IRISH REPUBLIC FRANCE	346 501	773 723	123.4 44.3
OTHER	1720	2737	59.1
тотаL Tropical Ply	14750 wood	15804	7.1
INDONESIA	72055	81014	12.4
BRAZIL MALAYSIA	27537 34383	41364 33904	50.2 -1.4
BELGIUM	6032	6536	8.4
GUYANA BURMA	3708 1323	5979 5870	61.2 343.7
OTHER	18318	19583	6.9
TOTAL Other Hard	163356	194250	18.9
RUSSIA	18773	22178	18.1
FINLAND GERMANY	21625	21931	1.4
LATVIA	2832 10318	13651 8634	382.0 -16.3
Lithuania Italy	2442 2221	3870 2799	58.5 26.0
OTHER	13042	11932	-8.5
Softwood D	71253	84995	19.3
Softwood P	41866	77993	86.3
FINLAND	19578	17472	-10.8
CANADA U.S.A.	18357 8661	15971 11421	-13.0 31.9
FRANCE LATVIA	11994 6187	10588 10430	-11.7 68.6
OTHER	74257	44705	-39.8
TOTAL	180900	188580	4.2
Sleepers AUSTRALIA	2828	1865	-34.1
GERMANY	855	1403	64.1
NETHERLANDS FRANCE	1165 333	933 789	-19.9 136.9
OTHER	1111	995	-10.4
TOTAL Profiled Wo	6292 and - Sc	5985 oftwoo	-4.9 d
SWEDEN	9904	12844	29.7
NETHERLANDS PORTUGAL	6125 5518	10098 8702	64.9 57.7
FINLAND	13122	6513	-50.4
OTHER TOTAL	22124 56793	15487 53644	-30.0 -5.5
Profiled Wo			
CANADA ITALY	11053 21100	19656 18466	77.8 -12.5
INDONESIA	12102	15855	31.0
MALAYSIA	10696	12482	16.7
OTHER	37110	49610	
OTHER TOTAL	37119 92070	49619 116078	33.7 26.1
TOTAL Wood wind	92070 OWS ar	116078 1 d fra n	33.7 26.1 nes
TOTAL	92070	116078	33.7 26.1
TOTAL Wood wind NORWAY DENMARK SWEDEN	92070 OWS at 19901 15153 7165	116078 nd fran 20654 15417 3634	33.7 26.1 nes 3.8 1.7 -49.3
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A.	92070 OWS at 19901 15153	116078 nd fran 20654 15417	33.7 26.1 10 S 3.8 1.7 -49.3 -7.8 -8.2
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL	92070 OWS at 19901 15153 7165 2866 5651 50736	116078 10 fran 20654 15417 3634 2642 5186 47533	33.7 26.1 10S 3.8 1.7 -49.3 -7.8 -8.2 -6.3
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL WOOD doors	92070 OWS at 19901 15153 7165 2866 5651 50736 s and f	116078 nd fran 20654 15417 3634 2642 5186 47533 frames	33.7 26.1 108 3.8 1.7 -49.3 -7.8 -8.2 -6.3
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL Wood doors INDONESIA SOUTH AFRICA	92070 OWS at 19901 15153 7165 2866 5651 50736 s and f 31943 28312	116078 10 fran 20654 15417 3634 2642 5186 47533 Frames 44267 35622	33.7 26.1 10 S 3.8 1.7 -49.3 -7.8 -8.2 -6.3 38.6 25.8
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL Wood doors INDONESIA SOUTH AFRICA BRAZIL	92070 OWS at 19901 15153 7165 2866 5651 50736 s and 1 31943 28312 23154	116078 10 fran 20654 15417 3634 2642 5186 47533 Frames 44267 35622 29321	33.7 26.1 10 S 3.8 1.7 -49.3 -7.8 -8.2 -6.3 38.6 25.8 26.6
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL Wood doors INDONESIA SOUTH AFRICA BRAZIL MALAYSIA OTHER	92070 OWS at 19901 15153 7165 2866 5651 50736 S and 1 31943 28312 23154 18001 78812	116078 10 fran 20654 15417 3634 2642 5186 47533 Frames 44267 35622 29321 22254 92408	33.7 26.1 nes 3.8 1.7 -49.3 -7.8 -8.2 -6.3 38.6 25.8 26.6 23.6 17.3
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL Wood doors INDONESIA SOUTH AFRICA BRAZIL MALAYSIA OTHER TOTAL	92070 OWS at 19901 15153 7165 2866 5651 50736 S and 1 31943 28312 23154 18001 78812 180222	116078 10 fran 20654 15417 3634 2642 5186 47533 Frames 44267 35622 29321 22254	33.7 26.1 10ES 3.8 1.7 -49.3 -7.8 -8.2 -6.3 38.6 25.8 26.6 23.6
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL Wood doors INDONESIA SOUTH AFRICA BRAZIL MALAYSIA OTHER TOTAL Parquet par	92070 OWS at 19901 15153 7165 2866 5651 5075 8 and 1 31943 28312 23154 18001 78812 180222	116078 nd fran 20654 15417 3634 2642 5186 47533 Frames 44267 35622 29321 22254 92408 223872	33.7 26.1 10 S 3.8 1.7 -49.3 -7.8 -8.2 -6.3 38.6 25.8 26.6 25.8 26.6 23.6 17.3 24.2
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL Wood doors INDONESIA SOUTH AFRICA BRAZIL MALAYSIA OTHER TOTAL Parquet par BBLGIUM SWEDEN	92070 OWS all 19901 15153 7165 2866 5651 50736 S and f 31943 28312 23154 18001 78812 180222 Tels 12931 29976	116078 10 fran 20654 15417 3634 2642 5186 47533 frames 44267 35622 29321 22254 92408 223872	33.7 26.1 nes 3.8 1.7 -49.3 -7.8 -8.2 -6.3 38.6 25.8 26.6 23.6 17.3 24.2 64.9 -36.7
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL Wood doors INDONESIA SOUTH AFRICA BRAZIL MALAYSIA OTHER TOTAL Parquet par BELGIUM SWEDEN DENMARK	92070 OWS at 19901 15153 7165 2866 5651 50736 S and 1 31943 28312 23154 18001 78812 180222 10els 12931 29976 15047	116078 nd fran 20654 15417 3634 2642 5186 47533 Frames 44267 35622 29321 22254 92408 223872 21317 18983 18513	33.7 26.1 10 S 3.8 1.7 -49.3 -7.8 -8.2 -6.3 38.6 25.8 26.6 23.6 17.3 24.2
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL Wood doors INDONESIA SOUTH AFRICA BRAZIL MALAYSIA OTHER TOTAL Parquet par BELGIUM SWEDEN DENMARK IENMARK IENMARK IENMARK OTHER OTHER OTHER	92070 OWS at 19901 15153 7165 2866 5651 50736 S and f 31943 28312 23154 18001 78812 180222 1els 129976 15047 5215 22064	116078 nd fran 20654 15417 3634 2642 5186 47533 frames 44267 35622 29321 22254 92408 223872 21317 18983 18513 9621 35093	33.7 26.1 NES 3.8 3.7 -49.3 -7.8 -8.2 -6.3 38.6 25.6 23.6 17.3 24.2 64.9 -36.7 23.0 84.5 59.1
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL Wood doors INDONESIA SOUTH AFRICA BRAZIL MALAYSIA OTHER TOTAL Parquet par BELGIUM SWEDEN DENMARK IRISH REPUBLIC OTHER TOTAL	92070 OWS at 19901 19901 15153 7165 2866 5651 50736 S and f 31943 28312 23154 18001 78812 180222 1els 129976 15047 5215 22064 85233	116078 nd fran 20654 15417 3634 2642 5186 47533 frames 44267 35622 29321 22254 92408 223872 21317 18983 18513 9621 35093 103527	33.7 26.1 10 S 38.8 -7.8 -8.2 -6.3 38.6 25.8 26.6 23.6 17.3 24.2 64.9 -36.7 23.0 84.5
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL Wood doors INDONESIA SOUTH AFRICA BRAZIL MALAYSIA OTHER TOTAL Parquet par BELGIUM SWEDEN DENMARK IRISH REPUBLIC OTHER	92070 OWS at 19901 19901 15153 7165 2866 5651 50736 S and f 31943 28312 23154 18001 78812 180222 1els 129976 15047 5215 22064 85233	116078 nd fran 20654 15417 3634 2642 5186 47533 frames 44267 35622 29321 22254 92408 223872 21317 18983 18513 9621 35093 103527	33.7 26.1 nes 3.8 1.7 -49.3 -7.8 -8.2 -6.3 38.6 25.8 26.6 23.6 17.3 24.2 64.9 -36.7 23.0 84.5 59.1 21.5
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL Wood doors INDONESIA SOUTH AFRICA BRAZIL MALAYSIA OTHER TOTAL Parquet par BELGIUM SWEDEN DENMARK IRISH REPUBLIC OTHER TOTAL Wooden Full ITALY MALAYSIA	92070 OWS at 19901 15153 7165 2866 5651 50736 S and f 31943 28312 23154 18001 180222 1els 129976 15047 5215 22064 85233 rniture 349448 92525	116078 nd fran 20654 15417 3634 2642 5186 47533 frames 44267 35622 29321 22254 92408 223872 21317 18983 18513 9621 35093 103527	33.7 26.1 nes 3.8 3.8 1.7 4.9.3 -7.8 8.2 -6.3 -6.3 24.2
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL Wood doors INDONESIA SOUTH AFRICA BRAZIL MALAYSIA OTHER TOTAL Parquet par BELGIUM SWEDEN DENMARK IRISH REPUBLIC OTHER TOTAL Wooden Fui ITALY MALAYSIA CHINA	92070 OWS alt 19901 15153 7165 2866 5651 50736 S and 1 31943 28312 23154 18001 78812 180222 116LS 12931 29976 15047 5215 22064 85233 rniture 3494448 92525 80007	116078 10 fran 20654 15417 3634 2642 5186 47533 Frames 44267 22254 92408 223872 21317 18983 18513 9621 35093 103527 411592 138186	33.7 26.1 10eS 3.8 1.7 -49.3 -7.8 -8.2 -6.3 38.6 25.8 26.6 23.6 17.3 24.2 64.9 -36.7 27.2 17.8 49.3 70.2
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL Wood doors INDONESIA SOUTH AFRICA BRAZIL MALAYSIA OTHER TOTAL Parquet par BELGIUM SWEDEN DENMARK IRISH REPUBLIC OTHER TOTAL Wooden Full MALAYSIA CHINA DENMARK GERMANY	92070 OWS at 19901 15153 7165 2866 5651 50736 S and f 31943 28312 23154 18001 180222 180222 1els 129976 15047 5215 22064 85233 rniture 349448 92525 80007 88417 84379	116078 nd fran 20654 15417 3634 2642 5186 47533 frames 44267 29321 22254 92408 223872 21317 18983 18513 9621 35093 103527	33.7 26.1 10eS 3.8 1.7 49.3 -7.8 -8.2 -6.3 38.6 25.8 26.6 23.6 17.3 24.2 24.2 17.8 49.3 70.2 30.3 70.2 30.3 28.7
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL Wood doors INDONESIA SOUTH AFRICA BRAZIL MALAYSIA OTHER TOTAL Parquet par BELGIUM SWEDEN DENMARK IRISH REPUBLIC OTHER TOTAL Wooden Ful ITALY MALAYSIA CHINA DENMARK GERMANY BELGIUM BELGIUM GUITALY GERMARK GERMANY BELGIUM	92070 OWS at 19901 15153 7165 2866 5661 50736 S and 1 31943 28312 23154 18001 78812 18022 Tels 12931 22976 15047 5215 22064 85233 rniture 349448 92525 80007 88417	116078 10 fran 20654 15417 3634 2642 5186 47533 frames 44267 22254 222931 22254 22287 223872 21317 18983 18513 9621 35093 103527	33.7 26.1 7.2 26.1 7.2 26.2 26.2 26.2 26.2 26.2 26.2 26.2
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL Wood doors INDONESIA SOUTH AFRICA BRAZIL MALAYSIA OTHER TOTAL Parquet par BELGIUM SWEDEN DENMARK IRISH REPUBLIC OTHER TOTAL Wooden Fui ITALY MALAYSIA CHINA DENMARK GERMANY BELGIUM ITALY MALAYSIA CHINA DENMARK IRISH REPUBLIC OTHER TOTAL WOODEN MALAYSIA CHINA DENMARK IRISH REPUBLIC OTHER TOTAL WOODEN MALAYSIA CHINA DENMARK BELGIUM INDONESIA POLAND	92070 OWS at 19901 15153 7165 2866 5651 50736 S and 1 31943 28312 23154 18001 78812 18022 16 S 12931 29976 15047 5215 22064 85233 rniture 349448 92525 80007 88417 84379 86743 71414 49150	116078 10 fran 20654 15417 3634 2642 5186 47533 Frames 44267 229321 22254 92408 223872 21317 18963 18513 9621 35093 103527 411592 138186 136178 115210 108616 99570 992364 87213	33.7 26.1 109S 3.8 1.7 -49.3 -7.8 -8.2 -6.3 38.6 25.8 26.6 23.6 17.3 24.2 24.2 17.8 49.3 70.2 30.3 24.2 17.8 49.3 70.2 30.3 24.2 17.8 49.3 70.2 30.3 70.2 30.3 70.2 71.4 71.4 71.4 71.4
TOTAL Wood wind NORWAY DENMARK SWEDEN U.S.A. OTHER TOTAL Wood doors INDONESIA SOUTH AFRICA BRAZIL MALAYSIA OTHER TOTAL Parquet par BELGIUM SWEDEN DENMARK IRISH REPUBLIC OTHER TOTAL Wooden Fui TIALY MALAYSIA CHINA DENMARK GERMANY BELGIUM BURDAN MINDONESIA	92070 OWS at 19901 15901 15153 7165 2866 50736 S and f 31943 28312 23154 18001 78812 180222 Tels 129976 15047 5215 22064 85233 rniture 84379 86743 84379 86743 71414	116078 nd fran 20654 15417 3634 2642 5186 47533 frames 44267 35622 29321 22254 92408 223872 21317 18983 18513 9621 35093 103527 411592 138186 136178 115210 108616 99570 92364	33.7 26.1 nes 3.8 1.7 49.3 -7.8 -8.2 -6.3 38.6 25.8 26.6 23.6 64.9 -36.7 23.0 84.5 59.1 21.5 17.8 49.3 70.2 33.0 84.5 17.8 49.3 70.2 14.8 29.3

European annual review

This issue contains the second part of our annual EU-wide review of the hardwood trade. Full year 2000 import data together with a briefing on market conditions is presented for the UK and Ireland, the Scandinavian countries, and Greece. Next month's issue will include the summary of imports into the EU as a whole.

United Kingdom Uncertain outlook

The UK hardwood importing sector had a buoyant year during 2000, but conditions this year are less favourable. Economic forecasts for the UK have become progressively more gloomy since the start of 2001. For example the Economist Poll of Forecasters for June suggests GDP growth of 2.2% in the UK this year, down from the forecast 2.3% in May and 2.6% in January. Worries about global economic cooling have been compounded by evidence that inflation is rising. Consumer price inflation jumped from 1.8% to 2.1% in the year to May. This unexpected increase prompted a sharp re-evaluation of interest rate forecasts, with some analysts now expecting a quarter point rise from current rates before the end of the year. Rising inflation is partly stimulated by a tight job market. The ILO unemployment rate has fallen to 5%, the lowest since the series started in 1984.

Meanwhile currency markets are working against the hardwood import trade. In early June, sterling dropped against the euro and hit a 15 year low against the dollar. The fall reflects growing expectations that newly re-elected Prime Minister Tony Blair will push for an early referendum on euro-entry, perhaps next year. Currency traders are calculating that the pound will have to fall substantially against the euro if Britain is to have any hope of making a success of joining the eurozone. The Economist suggests that at the very least sterling will have to fall by 10% against the euro, so traders are starting to anticipate the decline. Economic uncertainty, linked to the weaker sterling and onset of

the summer vacation period, are tending to discourage the building of hardwood lumber stocks in the UK.

Activity in the UK manufacturing sector has come under pressure during the global slowdown. The most recent data indicates that sales in this sector fell sharply by 0.9% in April. UK wood processing mills are reporting particularly slow sales, while kitchen and other furniture producers are also experiencing falling demand.

There are a few positive indications. The housing market remains reasonably active, boosted by relatively low interest rates and rising earnings. Sales by builders merchants recovered in April, following a decline in March. And robust high street sales suggest that consumers remain confident. Retail sales volumes, adjusted for seasonal variations, rose by 6.4% in the 12 months to May, the fastest rate since July 1997. Sales of DIY products were strong in May. However, recent surveys by both the Confederation of British Industry and the British Retail Consortium indicate that demand for furniture is cooling. This will make life more difficult for UK furniture manufacturers already struggling against a rising tide of imports.

The UK joinery sector was more active in April and May after a slow start to the year. The market for internal doors is extremely competitive and price sensitive, with a continuing trend towards factory finished door sets. But there continues to be news of rising demand for wooden windows in the UK. This sector has been boosted by growing environmental concern over the use of PVCu; and by quality guarantees now offered under

European annual review

the British Wodworking Federation's Timber Window Accreditation Scheme.

Reports from the architectural joinery sector are mixed. Some operators report strong activity, while others suggest that demand has been hit by falling business confidence. It seems that underlying activity in the sector is reasonable, but there are too many players leading to tight margins and competitive conditions. Demand from high quality housing and office fitouts are reasonably strong, but refurbishment has been less busy. American hardwoods, notably hard maple, are still favoured in this sector. UK staircase manufacturers are now benefiting from the release of pent-up demand that had built up during the poor winter weather.

Ireland European "tiger"

The Irish economy remains buoyant, although less so than last year. According to the OECD's latest country report, the country grew by a remarkable 11% in 2000. Strong exports due to cyclical strength in other industrial economies, strong demand for information and communication technology, and a weak euro all buoyed the nation's fortunes. The nation's construction sector operating at record levels, boosted by inward investment, rising incomes and low interest rates. This year, OECD forecast that Ireland's GDP growth will slow to less than 8%. Exports are likely to contract as neighbouring markets weaken and demand for information technology falls. Decreased exports will lead to a cut in business investment. Some analysts, such as the Economist Intelligence Unit (EIU), are also concerned about the level of private debt in Ireland. They fear that the incipient economic slowdown could consumers to take fright, resulting in a retrenchment in

spending and possibly a hard landing. Nevertheless even the EIU are still forecasting 6.2% growth during 2001, higher than any other EU country.

Given the buoyancy of the Irish economy, it is frustrating that the nation's wood import data is so unreliable. The data is amongst the slowest to be published by any EU country and contains the most inconsistencies. A large proportion of imports derive either from sources labelled "EU unknown" or "non EU unknown", or are imported indirectly through the UK. Therefore it is difficult to build an accurate picture of Ireland's hardwood importing sector. Nevertheless some potentially significant trends may be identified.

Ireland's domestic softwood industry, based on plantations established since the war is growing rapidly, but the hardwood resource is tiny. The nation therefore imports the majority of it's hardwood needs as lumber from Africa and the United States.

The year 2000 was a buoyant one for the Irish hardwood sector, characterised by rising imports. Ireland is a major market for African iroko, which is traditionally bought in fixed sizes from Ivory Coast, and which is used for a range of joinery applications. As availability of iroko from Ivory Coast and Ghana has declined, Ireland has shifted purchases to Cameroon. During 2000, the value of Ireland's direct imports of tropical sawn lumber from Ivory Coast and Ghana fell by 17% and 39% respectively, while imports from Cameroon leapt by 151%.

Over recent years Ireland has emerged as a significant buyer of white oak, primarily from the USA. The value of Ireland's imports of US oak increased by 27% last year compared to the previous year – particularly striking considering the euro's

Continued page 10

Ireland imports

Value (euro 000s)	1999	2000	% chg
•		2000	ung
Tropical Logs	1046	1536	46.8
U.K. IVORY COAST	1451 355	624 549	-57.0 54.6
CANADA	417	388	-7.0
FINLAND DENMARK	46 43	336 201	630.4 367.4
U.S.A.	413	156	-62.2
OTHER TOTAL	1313 5084	845 4635	-35.6 -8.8
Beech Logs			
U.K.	74	240	224.3
EU-UNKNOWN GHANA	0	109 74	0.0 0.0
ROMANIA	0	63	0.0
SINGAPORE NON-EU UNKNOW	N 0	31 28	0.0 0.0
SWEDEN OTHER	0 14	13 7	0.0 -50.0
TOTAL	88	565	542.0
Oak Logs			
U.S.A. SINGAPORE	3721 0	4629 237	24.4 0.0
CANADA	276	226	-18.1
GERMANY U.K.	174 254	203 196	16.7 -22.8
EU-UNKNOWN	0	66	0.0
CHINA OTHER	0 194	56 110	0.0 -43.3
TOTAL	4619	5723	23.9
Other Hardw		ogs	111 6
U.S.A. CANADA	1333 160	2820 557	111.6 248.1
LATVIA U.K.	0 89	45 34	0.0 -61.8
ROMANIA	0	22	0.0
SWEDEN EU-UNKNOWN	0	22 19	0.0 0.0
OTHER	337	6	-98.2
Tropical Cou	1919	3525	83.7
Tropical Saw	' n Lu r 5185	13027	151.2
GHANA	13817	8377	-39.4
IVORY COAST FINLAND	9985 4520	8341 5917	-16.5 30.9
U.K.	3038	4919	61.9
SWEDEN CHINA	717 442	1443 1354	101.3 206.3
EU-UNKNOWN GERMANY	0 234	1043	0.0 194.4
U.S.A.	138	689 619	348.6
MALAYSIA INDONESIA	126 684	428 371	239.7 -45.8
OTHER	1874	1778	- - -5.1
TOTAL	40760	48306	18.5
Beech Sawn GERMANY	Lum 405	ber 257	-36.5
U.K.	243	159	-34.6
ITALY DENMARK	44 25	128 66	190.9 164.0
EU-UNKNOWN	0	54 48	0.0
CZECH REPUBLIC BELGIUM	0 0	30	0.0 0.0
ROMANIA POLAND	0	22 2	0.0 0.0
	0	0	0.0
OTHER TOTAL	103 820	0 766	-100.0 -6.6
Oak Sawn Lu			
U.S.A.	8345	10586	26.9
FRANCE EU-UNKNOWN	869 0	858 782	-1.3 0.0
CANADA	891	394	-55.8
u.K. Ghana	1442 83	290 109	-79.9 31.3
BRAZIL TAIWAN	71 0	79 78	11.3 0.0
CHINA	0	52	0.0
AUSTRIA OTHER	0 135	48 315	0.0 133.3
TOTAL	11836	13591	14.8
Other hardw			405.0
U.S.A. CANADA	2454 780	5045 938	105.6 20.3
U.K.	833 92	618	-25.8 204.3
GERMANY SWEDEN	92 4	280 171	204.3 4175.0
BELGIUM EU-UNKNOWN	310 0	114 86	-63.2 0.0
NETHERLANDS	18	76	322.2
TAIWAN FRANCE	0 72	76 58	0.0 -19.4
OTHER	348	277	-20.4
TOTAL	4911	7739	57.6
Tropical Ven	eers 504	826	63.9
GERMANY	357	303	-15.1
U.K. SOUTH AFRICA	378 180	192 125	-49.2 -30.6
BELGIUM	13	61	369.2
EU-UNKNOWN OTHER	0 144	53 77	0.0 -46.5
TOTAL	1576	1637	3.9

Value	1000	2000	%
	<u> 1999</u>	_	
Other Hardy GERMANY	۷ood ۱ 449	/eneer	' S 38.8
U.S.A.	417	565	35.5
U.K. BELGIUM	467 65	410 140	-12.2 115.4
AUSTRIA DENMARK	0 28	67 47	0.0 67.9
OTHER	181	137	-24.3
Softwood Vo	1607	1989	23.8
U.K.	1777	1250	-29.7
SPAIN U.S.A.	959 443	1135 709	18.4 60.0
NETHERLANDS GERMANY	193 202	329 297	70.5 47.0
EU-UNKNOWN	0	253	0.0
OTHER TOTAL	677 4251	388 4361	-42.7 2.6
Tropical Ply		0004	450.7
BRAŽIL MALAYSIA	3835 5990	9691 4262	152.7 -28.8
U.K. SWEDEN	3597 1255	4037 3058	12.2 143.7
BELGIUM	1422	2201	54.8
EU-UNKNOWN OTHER	0 1607	540 1449	0.0 -9.8
TOTAL Other Hendu	17706	25238	42.5
Other Hardy	vood F	Plywoo 877	158.7
SPAIN	0 114	461	0.0
CHINA FINLAND	77	170 129	49.1 67.5
AUSTRIA RUSSIA	0 0	97 69	0.0 0.0
OTHER TOTAL	283 813	228 2031	-19.4 149.8
Softwood Pl			143.0
BRAZIL	8991	15129	68.3
U.K. CANADA	1736 1916	2120 1245	22.1 -35.0
INDONESIA FINLAND	423 1739	1072 778	153.4 -55.3
EU-UNKNOWN	0	750	0.0
OTHER TOTAL	2477 17282	1934 23028	-21.9 33.2
Sleepers			4750
GERMÁNY U.K.	6 123	291 118	4750.0 -4.1
FRANCE SWEDEN	0	90 62	0.0
OTHER	161	123	-23.6
Profiled Wo	290 od - Sc	684 Oftwoo	135.9 d
U.K.	6485	4439	-31.5
DENMARK EU-UNKNOWN	1438 0	1704 1565	18.5 0.0
ESTONIA OTHER	257 5903	827 4702	221.8 -20.3
TOTAL	14083	13237	-6.0
Profiled Wo	od - Ha	ardwo	o d 51.3
U.K.	6044	7282	20.5
CHINA U.S.A.	2535 1284	4843 3575	91.0 178.4
OTHER TOTAL	7403 23952	12256 38072	65.6 59.0
Wood wind			
U.K.	10296	13583 2645	31.9
DENMARK U.S.A.	482 1002	1951	448.8 94.7
EU-UNKNOWN OTHER	0 518	622 938	0.0 81.1
TOTAL	12298	19739	60.5
Wood doors	and f	rames	6.9
SOUTH AFRICA	4967	7878	58.6
INDONESIA DENMARK	2851 1302	4858 4028	70.4 209.4
OTHER TOTAL	10120 33140	15403 47021	52.2 41.9
Parquet par		// VE1	71.0
MALAYSIA	1059	1511	42.7 -34.0
U.K. SWITZERLAND	1440	950 852	-34.0 0.0
CHINA OTHER	81 2307	752 4809	828.4 108.5
TOTAL	4887	8874	81.6
Wooden fur	niture 91573	90714	-0.9
ITALY	11300	16037	41.9
MALAYSIA EU-UNKNOWN	11315 14	14724 14264	30.1 na
INDONESIA BRAZIL	5125 1092	11584 7021	126.0 542.9
DENMARK	4606	6061	31.6
BELGIUM OTHER	2318 30428	5210 44361	124.8 45.8
TOTAL	157771	209976	33.1
Source: Eurostat su	oplied by I	BTS and a	nalvsed

Denmark imp

	IG	111	•••
Value (euro 000s)	1999	2000	% chg
		2000	crig
Tropical Logs	2900	1566	-46.0
BURMA	533	916	71.9
NETHERLANDS MALAYSIA	181 9	864 375	377.3 4066.7
CANADA	22	232	954.5
BELGIUM U.S.A.	308 813	223 137	-27.6 -83.1
OTHER	284	229	-19.4
Pooch Logo	5050	4542	-10.1
Beech Logs GERMANY	18656	13622	-27.0
POLAND SWEDEN	1331 852	1130 499	-15.1 -41.4
FRANCE	0	113	0.0
ROMANIA U.K.	3 20	28 23	833.3 15.0
CZECH REPUBLIC	0	13	0.0
OTHER TOTAL	128 20990	27 15455	-78.9 -26.4
Oak Logs	20000	10-100	20.4
GERMANY	1550	1192	-23.1
SWEDEN U.S.A.	112 224	308 298	175.0 33.0
LITHUANIA	0	165	0.0
POLAND UKRAINE	55 0	110 103	100.0
INDONESIA	0	23	0.0
OTHER TOTAL	78 2019	40 2239	-48.7 10.9
Other Hardwo		ogs	
GERMANY U.S.A.	1127 576	1941 1430	72.2 148.3
UKRAINE	0	278	0.0
LITHUANIA SWEDEN	234 1007	146 120	-37.6 -88.1
ROMANIA	0	59	0.0
NETHERLANDS OTHER	3 1251	38 233	1166.7 -81.4
TOTAL	4198	4245	1.1
Tropical Saw			***
MALAYSIA GERMANY	6383 4843	7091 5501	11.1 13.6
BURMA	2722	4196	54.2
U.S.A. BRAZIL	1937 1464	3385 2586	74.8 76.6
SINGAPORE	1258	2306	83.3
NETHERLANDS FINLAND	2193 0	2208 1770	0.7 0.0
GHANA BELGIUM	1329 587	1507 1075	13.4 83.1
INDONESIA	538	717	33.3
IVORY COAST OTHER	633 2134	508 2728	-19.7 27.8
TOTAL	26021	35578	36.7
Beech Sawn	Luml 4089	oer 3797	-7.1
POLAND	3178	2511	-21.0
SLOVAKIA UKRAINE	1164 93	1141 503	-2.0 440.9
CZECH REPUBLIC	303	435	43.6
ROMANIA SLOVENIA	231 375	372 276	61.0 -26.4
SWEDEN	123	241	
HUNGARY CROATIA	411		95.9
		86	95.9 -79.1
OTHER	95 313	86 76 207	95.9 -79.1 -20.0 -33.9
TOTAL	95 313 10375	86 76 207 9645	95.9 -79.1 -20.0
	95 313 10375	86 76 207 9645	95.9 -79.1 -20.0 -33.9
TOTAL Oak Sawn Lu U.S.A. GERMANY	95 313 10375 mbe 1 5696 1305	86 76 207 9645 r 9413 1669	95.9 -79.1 -20.0 -33.9 -7.0 65.3 27.9
Oak Sawn Lu	95 313 10375 mbe 1 5696 1305 766 799	86 76 207 9645 7	95.9 -79.1 -20.0 -33.9 - 7.0 65.3
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA	95 313 10375 mbe 5696 1305 766 799 118	86 76 207 9645 7 9413 1669 725 675 612	95.9 -79.1 -20.0 -33.9 - 7.0 65.3 27.9 -5.4 -15.5 418.6
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA	95 313 10375 mbe i 5696 1305 766 799 118 42 168	86 76 207 9645 7 9413 1669 725 675 675 612 513 504	95.9 -79.1 -20.0 -33.9 - 7.0 65.3 27.9 -5.4 -15.5 418.6 1121.4 200.0
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND	95 313 10375 Imber 5696 1305 766 799 118 42 168 263	86 76 207 9645 7 9413 1669 725 675 612 513 504 447	95.9 -79.1 -20.0 -33.9 - 7.0 65.3 27.9 -5.4 -15.5 418.6 1121.4 200.0 70.0
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND ROMANIA UKRAINE	95 313 10375 mbe l 5696 1305 766 799 118 42 168 263 6 187	86 76 207 9645 7 9413 1669 725 675 612 513 504 447 229 166	95.9 -79.1 -20.0 -33.9 - 7.0 65.3 27.9 -5.4 -15.5 418.6 1121.4 200.0 70.0 3716.7 -11.2
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND ROMANIA UKRAINE OTHER	95 313 10375 mbei 5696 1305 766 799 118 42 168 263 6 187 347	86 76 207 9645 7 9413 1669 725 675 612 513 504 447 229 166 491	95.9 -79.1 -20.0 -33.9 - 7.0 65.3 27.9 -5.4 -15.5 418.6 1121.4 200.0 70.0 3716.7 -11.2 41.5
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND ROMANIA UKRAINE OTHER TOTAL	95 313 10375 Imbel 5696 1305 766 799 118 42 168 263 6 187 347 9697	86 76 207 9645 9413 1669 725 675 612 513 504 447 229 196 191 15444	95.9 -79.1 -20.0 -33.9 - 7.0 65.3 27.9 -5.4 -15.5 418.6 1121.4 200.0 70.0 3716.7 -11.2
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND ROMANIA UKRAINE OTHER TOTAL Other hardwo	95 313 10375 Imber 5696 1305 766 799 118 42 168 263 6 187 347 9697 Od s	86 76 707 9645 7 9413 1669 7725 675 612 513 504 447 429 115444 2W1 9774	95.9 -79.1 -20.0 -33.9 -7.0 65.3 27.9 -5.4 -15.5 418.6 1121.4 200.0 70.0 3716.7 -11.2 41.5 59.3
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND ROMANIA UKRAINE OTHER TOTAL Other hardwo	95 313 10375 Imber 5696 1305 766 799 118 42 168 263 6 187 347 9697	86 76 207 9645 9413 1669 725 675 612 513 504 447 229 166 491 15444 awn	95.9 -79.1 -20.0 -33.9 -7.0 65.3 27.9 -5.4 -15.5 418.6 1121.4 200.0 70.0 3716.7 -11.2 41.5 59.3
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND ROMANIA UKRAINE OTHER TOTAL Other hardwo U.S.A. SWEDEN GERMANY CANADA	95 310375 mber 5696 1305 766 799 118 42 168 263 6 187 347 9697 Od s 7797 3569 3311 1909	86 76 70 9645 7 9413 1669 725 675 612 513 504 447 229 166 491 15444 9774 4247 3028 2681	95.9 -79.1 -20.0 -33.9 - 7.0 65.3 27.9 -5.4 -15.5 418.6 1121.4 200.0 3716.7 -11.2 41.5 59.3 25.4 19.0 -8.5 40.4
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND ROMANIA UKRAINE OTHER TOTAL Other hardwo U.S.A. SWEDEN GERMANY	95 313 10375 5696 1305 766 799 118 42 168 263 6 187 347 9697 00d s 7797 3569 3311	86 76 76 76 76 76 76 76 76 76 76 76 76 76	95.9 -79.1 -20.0 -33.9 -7.0 65.3 27.9 -5.4 -15.5 418.6 1121.4 200.0 3716.7 -11.2 41.5 59.3 25.4 19.0 -8.5
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND ROMANIA UKRAINE OTHER TOTAL Other hardwo U.S.A. SWEDEN GERMANY CANADA LATVIA POLAND RUSSIA	95 313 10375 Imbel 5696 1305 766 1305 769 118 42 168 263 6 187 347 9697 Od s 7797 3569 3311 1909 3636 401 989	86 76 76 76 76 76 76 76 76 76 76 76 76 76	95.9 -79.1 -20.0 -33.9 -7.0 -5.4 -15.5 -112.4 -200.0 3716.7 -11.2 -41.5 -59.3 -25.4 -40.4 -31.1 -31.8
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND ROMANIA UKRAINE OTHER TOTAL Other hardwo U.S.A. SWEDEN GERMANY CANADA LATVIA POLAND	95 313 10375 The let 5696 1305 766 118 42 263 6 187 347 9697 Dod s 7797 3569 3311 1909 3636 401	86 76 70 9645 9413 1669 725 675 675 612 513 504 447 229 166 491 15444 awn 9774 4247 3028 2681 2507 742	95.9 -79.1 -20.0 -33.9 - 7.0 -65.3 27.9 -5.4 -15.5 418.6 70.0 70.0 3716.7 -11.2 41.5 59.3 -25.4 418.6 8.5 40.4 -31.1 85.0
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND ROMANIA UKRAINE OTHER TOTAL Other hardwo U.S.A. SWEDEN GERMANY CANADA LATVIA POLAND ROMADIA LATVIA POLAND RUSSIA LITHUANIA CHILE FINLAND	95 313 10375 Imber 5696 1305 766 799 118 42 168 263 6 187 347 9697 Dod S 7797 3569 3311 1909 3636 401 1989 833 1599 1302	86 76 70 9645 7 9413 1669 725 675 672 513 504 447 229 166 491 15444 247 3028 2881 2507 742 7667 588 558	95.9 -79.1 -79.1 -33.9 -7.0 65.3 27.9 -5.4 418.6 1121.4 41.5 -59.3 25.4 19.0 -8.5 40.4 -31.1 85.0 -8.9
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND ROMANIA UKRAINE OTHER TOTAL Other hardwo U.S.A. SWEDEN GERMANY CANADA LATVIA POLAND RUSSIA LITHUANIA CHILE	95 313 10375 Imber 5696 1305 766 799 118 42 168 263 6 187 9697 Od S 7797 3569 3311 1909 3636 401 989 833 159	86 76 76 76 76 76 76 76 76 76 76 76 76 76 7	95.9 -79.1 -3.3.9 -7.0 -5.4 -15.5 -418.6 1121.4 -200.0 3716.7 -11.2 -41.5 -59.3 -26.6 -40.4 -31.1 -35.7 -26.6 -36.7 -36.7 -36.7 -37.
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND ROMANIA UKRAINE OTHER TOTAL Other hardwo U.S.A. SWEDEN GERMANY CANADA LATVIA POLAND RUSSIA LITHUANIA CHILE FINLAND OTHER TOTAL Tropical Vene	95 313 10375 Imber 5696 1305 766 799 118 42 168 2263 6 187 347 9697 Ood S 7797 3569 3311 1909 3636 401 1989 833 159 1302 1672 25578	86 76 70 9645 9413 1669 725 675 612 513 504 447 229 166 491 15444 281 2827 726 667 588 558 2077 742 726 667 588 558 2077 7726	95.9 -79.1 -79.1 -7.0 65.3 27.9 -5.4 -15.5 -15.5 -11.2 -15.5 -11.2
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND ROMANIA UKRAINE OTHER TOTAL Other hardwo U.S.A. SWEDEN GERMANY CANADA LATVIA POLAND RUSSIA LITHUANIA CHILE FINLAND OTHER TOTAL Tropical Vene THAILAND	95 313 10375 Imbel 5696 1305 766 799 118 42 168 263 6 187 347 9697 Od s 7797 3569 3311 1909 833 159 833 159 833 159 833 159 833 159 833 833 833 834 835 835 837 837 837 837 837 837 837 837 837 837	86 76 76 76 76 76 76 76 76 76 76 76 76 76	95.9 -79.1 -79.1 -70.0 -33.9 -7.0 65.3 27.9 -5.4 -15.5 -418.6 70.0 3716.7 -11.2 -14.5 -59.3 25.4 40.0 -4.4 -4.5 -5.4 -4.5
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND ROMANIA UKRAINE OTHER TOTAL Other hardwo U.S.A. SWEDEN GERMANY CANADA LATVIA POLAND RUSSIA LITHUANIA CHILE FINLAND OTHER TOTAL Tropical Vene THAILAND GERMANY CAMEROON	95 313 10375 Imber 5696 1305 766 799 18 42 168 2263 6 187 347 9697 Dod S 7797 3569 3311 1909 3636 401 1989 833 159 1302 1672 22578	86 76 76 76 76 76 76 76 76 76 76 76 76 76	959 7-70.1 -7.0 -7.0 -7.0 -7.0 -7.0 -7.0 -7.0 -7.0
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND ROMANIA UKRAINE OTHER TOTAL Other hardwo U.S.A. SWEDEN GERMANY CANADA LATVIA POLAND RUSSIA LITHUANIA FINLAND OTHER TOTAL Tropical Vene THAILAND GERMANY CAMBROON BRAZIL	95 313 10375 Imbel 5696 1305 766 799 118 42 168 263 6 187 9697 Od s 7797 3569 3311 1909 3636 401 989 983 1502 1672 2578 2914 2914 291 82	86 76 76 79645 7 9413 1669 725 675 612 513 504 447 229 166 491 15444 awn 9774 4247 3028 268 268 267 742 726 667 588 2077 772 2759 667 588 2077 772 299 452 2986 600 600 600 600 600 600 600 600 600 6	95.9 -79.1 -79.1 -7.0 65.3 27.9 -5.4 -15.5 418.6 -15.5 418.6 -15.5 -1121.4 200.0 3716.7 -11.2 -41.5 -59.3 -26.6 -26.6 -26.6 -27.9 -27.
TOTAL Oak Sawn Lu U.S.A. GERMANY LATVIA CANADA AUSTRALIA HUNGARY LITHUANIA POLAND ROMANIA UKRAINE OTHER TOTAL Other hardwo U.S.A. SWEDEN GERMANY CANADA LATVIA POLAND RUSSIA LITHUANIA CHILE FINLAND OTHER TOTAL Tropical Vene THAILAND GERMANY CAMEROON	95 313 10375 Imber 5696 1305 766 799 18 42 168 2263 6 187 347 9697 Dod S 7797 3569 3311 1909 3636 401 1989 833 159 1302 1672 22578	86 76 76 76 76 76 76 76 76 76 76 76 76 76	959 7-70.1 -7.0 -7.0 -7.0 -7.0 -7.0 -7.0 -7.0 -7.0

orts			
Value			%
(euro 000s)	1999	2000	chg
Other Hardy			
GERMANY U.S.A.	19729 2500	19199 5234	-2.7 109.4
FRANCE CANADA	3522 719	3687 2167	4.7 201.4
POLAND	955	2096	119.5
HUNGARY OTHER	722 5331	1472 5426	103.9 1.8
TOTAL	33478	39281	17.3
Softwood Vo	eneers 1848	1201	-35.0
GERMANY FINLAND	1201 236	1115 268	-7.2 13.6
FRANCE	303	267	-11.9
NETHERLANDS POLAND	198 75	30 28	-84.8 -62.7
OTHER TOTAL	231 4092	52 2961	-77.5 -27.6
Tropical Ply		2501	-27.0
INDONESIA	8965	9667	7.8
MALAYSIA GERMANY	3011 2445	2128 2092	-29.3 -14.4
BRAZIL FRANCE	1063 583	1353 671	27.3 15.1
NETHERLANDS	805	469	-41.7
OTHER TOTAL	1654 18526	1059 17439	-36.0 -5.9
Other Hardy			d
FINLAND RUSSIA	9728 4966	11163 7560	14.8 52.2
LATVIA GERMANY	783 1068	1256	60.4
SWEDEN	582	1060 659	-0.7 13.2
ESTONIA OTHER	657 1607	590 2018	-10.2 25.6
TOTAL	19391	24306	25.3
Softwood Pl	9765	1 18864	93.2
FINLAND	9602	11518	20.0
SWEDEN POLAND	4197 3442	7128 4024	69.8 16.9
U.S.A.	3167	1901	-40.0
GERMANY OTHER	929 4238	1196 3547	28.7 -16.3
Classiana	35340	48178	36.3
Sleepers GERMANY	182	387	112.6
ESTONIA POLAND	0 2	21 9	0.0 350.0
SWEDEN	1	5	400.0
OTHER TOTAL	0 185	0 422	0.0 128.1
Profiled Wo			
SWEDEN FINLAND	7660 2428	7188 1972	-6.2 -18.8
POLAND ITALY	303 1376	1560 1077	414.9 -21.7
OTHER	3382	2438	-27.9
TOTAL Drafiled Ma	15149	14235	-6.0
Profiled Wo	00 - Ha 538	1401	160.4
GERMANY THAILAND	909 417	1097 1012	20.7 142.7
U.S.A.	182	805	342.3
OTHER TOTAL	3324 5370	3171 7486	-4.6 39.4
Wood wind			
POLAND SWEDEN	3041 1689	2984 2215	-1.9 31.1
ESTONIA	1599	1871	17.0
LITHUANIA OTHER	1279 4610	1488 3215	16.3 -30.3
Wood doors	12218	11773 ramos	-3.6
Wood doors	20366	24792	21.7
FINLAND NORWAY	17021 2956	20839 2605	22.4 -11.9
ITALY	42	1112	2547.6
OTHER TOTAL	9684 50069	6633 55981	-31.5 11.8
Parquet par			
NORWAY SWEDEN	9121 14935	16504 15235	80.9 2.0
MALAYSIA INDONESIA	5713	8549	49.6
OTHER	2963 13126	4033 8369	36.1 -36.2
TOTAL	45858	52690	14.9
Wooden Ful SWEDEN	'niture 104220	109416	5.0
NORWAY	60288 39444	62583 47647	3.8 20.8
GERMANY	37054	34971	-5.6
POLAND INDONESIA	22320 29379	33295 30002	49.2 2.1
ESTONIA	24948	27589	10.6
LATVIA OTHER	20079 80433	17744 100192	-11.6 24.6

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weakness against the dollar. European hardwoods appear to play only a very limited role in the Irish hardwood market.

Demand for hardwood veneers in Ireland remains limited, but reasonable volumes hardwood plywood are imported, with Brazil and Malaysia the major suppliers. The value of Ireland's tropical plywood import increased by 42% during 2000, a response to buoyant construction activity. A striking feature of the Irish data during 2000 was the rate of growth in imports of further processed products. By value, imports of hardwood profiles, window frames, doors, parquet panels, and wooden furniture were up 59%, 60%, 42%, 82%, and 33% respectively.

Recent reports from the Irish hardwood sector have been less upbeat. Forward demand for iroko has been hit following the arrival of large consignments earlier in 2001, just at a time when business confidence and investment were beginning to ebb. The construction sector has begun to cool, with house and commercial property prices falling progressively in the first quarter of the year. Figures released by Homebond, which administers a house-building guarantee scheme and also compiles records on housing and apartment starts, show that construction fell by 17% nationally in the first four months of 2001.

Denmark

Worried about Germany

Denmark's economy was buoyant during 2000 with rapid GDP growth of 2.9%. This year, the Economist Intelligence Unit (EIU) expects GDP to grow by 1.7%. Slowing growth reflects the weakening economy in Denmark's main trading partner, Germany, coupled with persistent sluggish private consumption. EIU expect Denmark's economy to pick up in 2002 in the wake of stronger

global growth. Denmark's currency has been stable in relation to the euro, but weak against the dollar. Demand for parquet flooring in Denmark has been good, and Denmark's domestic furniture market has remained reasonably stable, despite evidence of increased competition from overseas. Export demand for Danish furniture is under pressure, particularly in Germany, and the outlook is not good. Light species have been preferred in the Danish furniture sector, but darker species have been making ground. Construction activity in Denmark was strong during 2000, particularly in the first half when it was boosted by severe storm damage during December 1999. However there are now signs of weakening - projections published in June 2001 by Euroconstruct, the European construction research agency, suggest that growth in the value of construction output in Denmark between 2001 and 2003 will only be around 2.5% over the three year period, amongst the lowest growth rates in Europe.

The effects of the storms may be reflected in Denmark's trade figures for 2000, which show a 26% and 7% fall in the value of beech log and sawn lumber imports respectively. This may reflect increased availability from domestic harvests as log recovery operations in the wake of the storms focused on beech. There was apparently strong growth in Denmark's imports of oak last year, with log and sawn lumber imports up 59% and 11% respectively compared with the previous year. The increase in imports of oak sawn lumber from the US was particularly impressive, up 65% by value despite the strength of the dollar. This may reflect increased use of oak in the Danish flooring and furniture sectors - although the data needs to be treated with caution since US customs data for 2000 actually shows a slight decline in the value of US oak

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Source: Eurostat supplied by BTS and analysed by hardwoodmarkets.com

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exports to Denmark! This illustrates well the huge discrepancies that exist in wood trade statistics.

The value of Denmark's tropical sawn lumber imports apparently rose strongly during 2000, up 37% on the previous year. A large proportion of Denmark's tropical sawn lumber import is indirect from neighbouring European countries, notably Germany. Demand for African sipo was relatively high, although there were problems obtaining adequate supplies. Last year there was good demand in Denmark for lauan and meranti for doors. However imports of finished doors into Denmark rose strongly last year, notably from Indonesia, the leading supplier.

Sweden Still relatively bouyant

The Swedish economy grew by 3.6% in 2000, but the Economist Intelligence Unit (EIU) forecast growth to slow to 2.8% in 2001, before picking up slightly to 3.2% in 2002 against the background of a deteriorating international economic environment. The slowdown particularly reflects economic problems in Germany, Sweden's trading partner. Nevertheless, Sweden is likely to remain one of Europe's most buoyant economies during 2001. Projections published in June 2001 by Euroconstruct also suggest that growth in the value of construction output in Sweden between 2001 and 2003 will be around 12% over the three year period, significantly higher than in any other Western European country. Sweden remains outside the eurozone, but the nation's currency has followed the weak progress of the euro.

Of course, Sweden's wood import figures have to be considered against the background of a substantial domestic, although primarily softwood, resource. The hardwood import figures are

also skewed by the large amounts of relatively low value "soft" hardwood logs imported from neighbouring countries (Russia, Latvia, Estonia, and Lithuania) to supplement domestic supplies and provide raw material for the nation's large integrated paper, panel and lumber mills.

Nevertheless, Sweden imports a

significant volume of higher value hardwoods in log, lumber and veneer form. These imports reflect the combination of Sweden's cultural preference for timber in construction and furniture, and the large domestic parquet flooring and furniture manufacturing sector. Swedish producers of parquet flooring, with 23% of the EU market, are the largest in the Europe. The recent merger of Sweden's Nybron AB and the Swiss Haig group were the culmination of a series of corporate acquisitions that have led to the creation of the world's second largest parquetry producer. Nybron Flooring International, which is second only to the US producer Armstrong World Industries, has around 20% of European market share. Oak and beech are the dominant species used in the Swedish flooring and furniture sector and significant volumes of these species are imported. Imports of tropical hardwood in Sweden are relatively restricted, much comprising re-exports from Denmark and the Netherlands. During 2000, the value Sweden's imports of oak logs and sawn lumber grew strongly, by 29% and 46% respectively compared with the previous year. This may reflect continued growth in parquet production, and the recent fashion for oak in this sector. Increased imports of oak logs from Denmark and Germany may also have been related to the storm damage in these countries during December 1999. The USA increased its exports of sawn lumber to Sweden and maintained its position

Continued on page 12

Sweden imports

		• • •	יוי
Value			%
(euro 000s)	1999	2000	chg
Tropical Logs	100	424	324.0
DENMARK	145	312	115.2
BURMA	367	288	-21.5
BELGIUM	55	172	212.7
MALAYSIA	27	88	225.9
CAMEROON	269	83	-69.1
INDONESIA	1	23	2200.0
OTHER	86	0	-100.0
TOTAL	1050	1390	32.4
Beech Logs GERMANY	12184	12839	5.4
DENMARK	2414	2157	-10.6
POLAND	1083	884	-18.4
HUNGARY	0	30	0.0
CROATIA	14	19	35.7
UKRAINE	21 0	11 0	-47.6 0.0
OTHER	21	0 15940	-100.0
Oak Logs	15737	15940	1.3
DENMARK	4088	3798	-7.1
GERMANY	1361	3491	156.5
UKRAINE	103	180	74.8
POLAND	193	157	-18.7
CANADA	41	23	-43.9
NORWAY	68	21	-69.1
BOS & HERZ.	26	13	-50.0
OTHER	86	29	-66.3
TOTAL	5966	7712	29.3
Other Hardwe		ogs_	24.0
LATVIA	55064	68375	24.2
RUSSIA	38656	44238	14.4
ESTONIA	32255	27302	-15.4
LITHUANIA	12329	13834	12.2
NORWAY	582	1422	144.3
DENMARK	1241	1320	6.4
GERMANY	1122	1292	15.2
OTHER	1113	1357	21.9
TOTAL 1	42362	159140	11.8
Tropical Saw	n Lur	nber	17.9
NETHERLANDS	1829	2157	
DENMARK	1278	1668	30.5
BURMA	1524	1447	-5.1
MALAYSIA	650	1143	75.8
THAILAND	540	533	-1.3
U.S.A.	378	520	37.6
GERMANY	243	485	99.6
BELGIUM	73	272	272.6
GHANA	153	234	52.9
SINGAPORE	158	189	19.6
PERU	137	174	27.0
LATVIA	136	114	-16.2
OTHER	1504	708	-52.9
TOTAL	8603	9644	12.1
Beech Sawn			
POLAND	4454	5114	14.8
DENMARK	4398	2872	-34.7
GERMANY	2515	2383	-5.2
HUNGARY	1187	1653	39.3
SLOVAKIA	669	1329	98.7
CZECH REPUBLIC	411	907	120.7
AUSTRIA	762	501	-34.3
ROMANIA	281	396	40.9
CROATIA	187	175	-6.4
SLOVENIA	225	164	-27.1
OTHER	526	430	-18.3
TOTAL	15615	15924	2.0
Oak Sawn Lu			2.0
U.S.A.	10066	14650	45.5
HUNGARY	2264	5508	143.3
POLAND	4745	5033	6.1
CANADA	1240	2213	78.5
CROATIA	1373	1738	26.6
DENMARK	789	1571	99.1
LITHUANIA	1149	1366	18.9
UKRAINE	338	618	82.8
CZECH REPUBLIC	353	605	71.4
GERMANY	780	596	-23.6
OTHER	1713	2382	39.1
Other bardy	24810	36280	46.2
Other hardwo	9822	9218	-6.1
U.S.A.	9166	8773	-4.3
ESTONIA	1653	2448	48.1
FINLAND	3143	2443	-22.3
LATVIA	1504	1563	3.9
LITHUANIA	662	1133	71.1
AUSTRALIA	673	673	0.0
DENMARK	566	582	2.8
RUSSIA	347	566	63.1
POLAND	464 2179	513	10.6 4.6
OTHER TOTAL	30179	2280 30192	0.0
Tropical Vene	ers 1127	1703	51.1
INDIA	873	753	-13.7
DENMARK	786	632	-19.6
THAILAND	212	394	85.8
IVORY COAST	136	281	106.6
BRAZIL	58	77	32.8
OTHER	601	328	-45.4
TOTAL	3793	4168	9.9

Value (euro 000s) Other Hardw GERMANY FINLAND POLAND U.S.A. CROATIA CANADA OTHER TOTAL Softwood Ve FINLAND CROATIA GERMANY SLOVAKIA LATVIA DENMARK	700d \ 10745 5280 2835 2468 2446 1782 12296 37852	10242 5463 4948 4373 2044 1979 9663 38712	-4.7 3.5 74.5 77.2 -16.4 11.1 -21.4
GERMANY FINLAND POLAND U.S.A. CROATIA CANADA OTHER TOTAL Softwood Ve FINLAND CROATIA GERMANY SLOVAKIA LATVIA DENMARK	10745 5280 2835 2468 2446 1782 12296 37852 PRECES 7885 0	10242 5463 4948 4373 2044 1979 9663 38712	-4.7 3.5 74.5 77.2 -16.4 11.1 -21.4
FINLAND POLAND U.S.A. CROATIA CANADA OTHER TOTAL Softwood Ve FINLAND CROATIA GERMANY SLOVAKIA LATVIA DENMARK	5280 2835 2468 2446 1782 12296 37852 **Peers 7885 0	5463 4948 4373 2044 1979 9663 38712	3.5 74.5 77.2 -16.4 11.1 -21.4
POLAND U.S.A. CROATIA CANADA OTHER TOTAL Softwood Ve FINLAND CROATIA GERMANY SLOVAKIA LATVIA DENMARK	2835 2468 2446 1782 12296 37852 eneers 7885 0	4948 4373 2044 1979 9663 38712	74.5 77.2 -16.4 11.1 -21.4
CROATIA CANADA OTHER TOTAL Softwood Ve FINLAND CROATIA GERMANY SLOVAKIA LATVIA DENMARK	2446 1782 12296 37852 PRECESS 7885 0	2044 1979 9663 38712	-16.4 11.1 -21.4
CANADA OTHER TOTAL Softwood Ve FINLAND CROATIA GERMANY SLOVAKIA LATVIA DENMARK	1782 12296 37852 PRECES 7885 0	1979 9663 38712	11.1 -21.4
TOTAL Softwood Ve FINLAND CROATIA GERMANY SLOVAKIA LATVIA DENMARK	37852 PINEERS 7885 0	38712	
Softwood Ve FINLAND CROATIA GERMANY SLOVAKIA LATVIA DENMARK	neers 7885 0		2.3
FINLAND CROATIA GERMANY SLOVAKIA LATVIA DENMARK	7885 0		2.0
GERMANY SLOVAKIA LATVIA DENMARK		9914	25.7
SLOVAKIA LATVIA DENMARK	: x44	798 751	0.0 38.1
DENMARK	0	543	0.0
	0 177	225 106	0.0 -40.1
OTHER	1393	255	-81.7
Tropical Plyn	9999	12592	25.9
Tropical Plyv DENMARK	905	1269	40.2
INDONESIA GERMANY	916 698	1047 987	14.3 41.4
FRANCE	439	360	-18.0
MALAYSIA BRAZIL	515 131	252 149	-51.1 13.7
OTHER	1462	453	-69.0
TOTAL	5066	4517	-10.8
Other Hardw	OOD F 13618	lywoo 16485	21.1
RUSSIA	8508	12444	46.3
LATVIA DENMARK	2300 1429	3023 1310	31.4 -8.3
GERMANY	856	976	14.0
ESTONIA OTHER	920 4163	943 3292	2.5 -20.9
TOTAL	31794	38473	21.0
Softwood Ply			07.7
FINLAND POLAND	23061 4546	28423 3976	23.3 -12.5
RUSSIA	2130	2637	23.8
BRAZIL DENMARK	457 1258	1931 1755	322.5 39.5
GERMANY	963	994	3.2
OTHER TOTAL	2119 34534	1344 41060	-36.6 18.9
Sleepers			
NORWAY	24 14	67	179.2
POLAND ESTONIA	174	23 22	64.3 -87.4
GERMANY OTHER	225 357	21 0	-90.7 -100.0
TOTAL	794	133	-100.0 - 83.2
Profiled Woo			
NORWAY ESTONIA	1417 555	1869 1232	31.9 122.0
PORTUGAL	877	489	-44.2
FINLAND OTHER	44 860	456 995	936.4 15.7
TOTAL	3753	5041	34.3
Profiled Woo	od - Ha 3430		
NORWAY	482	3265 1684	-4.8 249.4
POLAND ESTONIA	15 484	1633 965	10786 99.4
OTHER	2373	3896	64.2
TOTAL	6784	11443	68.7
Wood windo	ows ar 2635	1 a tra n 3173	nes 20.4
DENMARK	1959	2247	14.7
ESTONIA FINLAND	2552 1801	2127 555	-16.7 -69.2
OTHER	199	347	74.4
Wood doors	9146 and f	8449 ramos	-7.6
Wood doors	4801	8257	72.0
FINLAND	3733	4986	33.6
DENMARK U.K.	2217 321	1675 451	-24.4 40.5
OTHER	691	1381	99.9
Parquet pan	11763 ale	16750	42.4
NORWAY	3372	14934	342.9
BELGIUM FINLAND	997	3635	264.6
DENMARK	1069 2103	2814 2072	163.2 -1.5
OTHER TOTAL	7933 15474	7542 30997	-4.9 100.3
Wooden Furi			100.3
POLAND	63115	84382	33.7
DENMARK	71721 41135	59951 47220	-16.4 14.8
	₩ 11.3°	47220 43963	4.7
NORWAY ITALY	42004		
NORWAY ITALY FINLAND	42004 30921	35449	14.6
NORWAY ITALY FINLAND GERMANY ROMANIA	42004 30921 26417 13730	35449 27538 17703	14.6 4.2 28.9
NORWAY ITALY FINLAND GERMANY ROMANIA ESTONIA	42004 30921 26417 13730 12467	35449 27538 17703 15583	14.6 4.2 28.9 25.0
NORWAY ITALY FINLAND GERMANY ROMANIA ESTONIA OTHER	42004 30921 26417 13730	35449 27538 17703	14.6 4.2 28.9

Finland imports

ı ııııaı	IU	111	יץי
Value			%
,	1999	2000	chg
Tropical Logs	17	19	11.8
	0	0	0.0
	0	0	0.0
	0 0	0	0.0 0.0
	0	0	0.0
OTHER	17		-100.0
TOTAL	34	19	-44.1
Beech Logs GERMANY	743	715	-3.8
DENMARK	24	60	150.0
	0	0	0.0
	0	0	0.0 0.0
	0	0	0.0
OTHER	22	0	0.0 -100.0
Oak Logs	789	775	-1.8
FRANCE	0	21	0.0
POLAND	0	21	0.0
ESTONIA		4	33.3
CANADA	0	1	0.0
RUSSIA	5	0	-100.0
	0	0	0.0
	0	0	0.0
OTHER	79	0	-100.0
TOTAL	87	47	-46.0
Other Hardwo	ood L	ogs	
ESTONIA	91054	169192	-11.4
	24241	29839	23.1
LATVIA	5853	13229	126.0
SWEDEN	946	846	-10.6
BELARUS	1883	380	-79.8
LITHUANIA	681	143	-79.0
GERMANY	0	112	0.0
OTHER	71	83	16.9
TOTAL 2	24729	213824	-4.9
Tropical Saw	n Lun 1922	1 ber 2185	13.7
THAILAND	2052	1237	-39.7
SWEDEN	848	1001	18.0
MALAYSIA	255	655	156.9
AUSTRALIA	536	642	19.8
NETHERLANDS	236	553	134.3
GERMANY	213	428	100.9
ECUADOR	451	371	-17.7
DENMARK	255	324	27.1
BELGIUM	316	266	-15.8
SINGAPORE	36	196	444.4
CAMEROON	205	166	-19.0
OTHER	1281	1060	-17.3
TOTAL	8606	9084	5.6
Beech Sawn	Lumb	er	20.4
POLAND	3769	4916	30.4
GERMANY	2507	2921	16.5
FRANCE	964	1522	57.9
SWEDEN	473	438	-7.4
DENMARK	629	290	-53.9
HUNGARY	634	181	-71.5
SLOVAKIA	107	134	25.2
CZECH REPUBLIC	6	88	1366.7
BULGARIA	0	76	0.0
ROMANIA	183	51	-72.1
OTHER	104	27	-74.0
TOTAL	9376	10644	13.5
Oak Sawn Lu			
U.S.A.	2953	3288	11.3
POLAND	2308	3270	41.7
HUNGARY	1857	2733	47.2
CANADA	859	1429	66.4
GERMANY	150	616	310.7
SWEDEN	294	590	100.7
FRANCE	330	433	31.2
CROATIA		380	0.0
ROMANIA	131	209	59.5
ESTONIA	209	204	-2.4
OTHER	416	464	11.5 43.2
Other hardwo	9507 20d S	13616_ awn	43.2
CANADA	5397	6910	28.0
ESTONIA	2856	4838	69.4
U.S.A.	2149	2265	5.4
RUSSIA	703	773	10.0
POLAND	146	524	258.9
FRANCE	831	467	-43.8
NETHERLANDS	380	409	7.6
GERMANY	626	404	-35.5
SWEDEN	427	360	-15.7
LATVIA	402	295	-26.6
OTHER	755	939	24.4
TOTAL	14672	18184	23.9
Tropical Vene	ers 536	739	37.9
SWEDEN	312	559	79.2
GHANA	330	406	23.0
DENMARK	159	311	95.6
GERMANY	119	242	103.4
U.S.A.	79	161	103.8
OTHER	219	126	-42.5
TOTAL	1754	2544	45.0

rts			
Value	1000	2222	%
(euro 000s)	1999	2000	chg
Other Hardy			
GERMANY SWEDEN	3796 1907	3334 1704	-12.2 -10.6
FRANCE	1631	1496	-8.3
CANADA ESTONIA	512 379	660 316	28.9 -16.6
RUSSIA	659	248	-62.4
OTHER	579 9463	337 8095	-41.8 - 14.5
Softwood Ve		0095	-14.5
GERMANY	18	266	1377.8
SWEDEN	120	163	35.8
ESTONIA DENMARK	43 9	15 13	-65.1 44.4
CANADA	13	10	-23.1
POLAND OTHER	65 17	10 0	-84.6 -100.0
TOTAL	285	477	67.4
Tropical Plyv			
FRANCE INDONESIA	81 83	164 154	102.5 85.5
DENMARK	107	106	-0.9
LATVIA	25	96 64	284.0
SWEDEN NETHERLANDS	91 32	64 56	-29.7 75.0
OTHER	678	92	-86.4
Other Herdu	1097	732	-33.3
Other Hardw	/00a P 2540	1 ywoo 5389	112.2
LATVIA	1286	2444	90.0
ESTONIA SWEDEN	479 141	900 529	87.9 275.2
SWITZERLAND	51	305	498.0
GERMANY OTHER	130 299	178 523	36.9
TOTAL	4926	10268	74.9 108.4
Softwood Pl	vwood		
GERMANY	648	611	-5.7
INDONESIA BRAZIL	251 162	269 237	7.2 46.3
SWEDEN	242	174	-28.1
AUSTRIA POLAND	0 19	77 70	0.0 268.4
OTHER	386	178	-53.9
TOTAL	1708	1616	-5.4
Sleepers	240	220	40.0
SWEDĒN RUSSIA	240 0	338 4	40.8 0.0
•••	0	0	0.0
OTHER	1	0	0.0 -100.0
TOTAL	241	342	41.9
Profiled Woo	od - So 91	ttwoo 393	331.9
ITALY	164	393 199	21.3
AUSTRIA	89	172	93.3
CANADA OTHER	1 313	133 1 458	3200.0 46.3
TOTAL	658	1355	105.9
Profiled Wo			
FRANCE IVORY COAST	0 880	2766 720	0.0 -18.2
ESTONIA	146	556	280.8
SWEDEN OTHER	425 1535	401 1634	-5.6 6.4
TOTAL	2986	6077	103.5
Wood windo			
ESTONIA SWEDEN	3760 402	4782 1124	27.2 179.6
DENMARK	456	447	-2.0
RUSSIA OTHER	19 71	437 64	2200.0 -9.9
TOTAL	4708	68 54	-9.9 45.6
Wood doors	and f		;
ESTONIA	385 1741	2016	423.6
SWEDEN SPAIN	488	1085 560	-37.7 14.8
THAILAND	487	432	-11.3
OTHER TOTAL	1015 4116	936 5029	-7.8 22.2
Parquet pan			
SWEDEN	5725	7226	26.2
GERMANY NORWAY	981 964	1673 1146	70.5 18.9
HUNGARY	155	276	78.1
OTHER TOTAL	1721 9546	1642 11963	-4.6 25.3
Wooden Fur		1 1303	25.3
SWEDEN	52551	55802	6.2
ESTONIA	23604	28351	20.1
ITALY MALAYSIA	11755 4240	13283 7323	13.0 72.7
DENMARK	6338	7119	12.3
NORWAY LATVIA	4772 4120	5922 5647	24.1 37.1
POLAND	2285	3939	72.4
CLIHER	14635	73/186	146

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Continued from page 11

as the leading supplier of this commodity, but there was also strong growth in imports from Hungary. There were also signs during 2000 of rising beech lumber imports from Eastern Europe, notably from Poland.

Swedish imports of value added products - including wood doors, parquet panels, and wooden furniture - increased significantly during 2000 in response to buoyant economic conditions, but also indicating intensified overseas competition for Sweden's domestic manufacturers.

Finland Bouyant demand

The Finnish economy expanded rapidly by 5.7% in 2000, but the Economist Intelligence Unit forecast that GDP growth will be more moderate in 2001 and 2002. averaging 3.8% and 3.3% respectively. **Projections** published in June 2001 by Euroconstruct suggest that growth in the value of construction output in Finland between 2001 and 2003 will be just under 5% over the three year period, slightly lower than the EU average (5%).

Like Sweden, Finland's hardwood import data has to be considered against the background of the nation's own abundant, but primarily coniferous, forest resources. Finland's forest growing stock comprises nearly 2000 million m3 of which 82% is softwood, 15% birch and 3% other broad-leaved species. The major hardwood import into Finland comprises relatively low value logs of birch and other "soft" hardwoods primarily from Russia, Estonia and Latvia which supplement domestic wood to supply the nation's large integrated wood fibre processing mills. Finland is a major producer of birch plywood, a proportion of the raw material for this product being derived from neighboring countries.

Although overall imports of higher value hardwoods into Finland are still relatively limited, there was significant growth in imports of these products during 2000 as a reflection of Finland's buoyant economy. High value hardwoods are imported primarily in sawn and veneer form. As in other countries, there appears to have been particularly strong growth in oak sawn lumber imports during 2000 - up 43% over the previous year. The USA and Poland are the major suppliers of oak to Finland. Poland also significantly expanded sales of beech sawn lumber in Finland last year. Perhaps surprisingly, Finland imports a reasonable amount of tropical sawn lumber, the major suppliers being Ivory Coast and Thailand – the latter suggesting a significant proportion may be of teak. Much of Finland's hardwood veneer derives from neighboring Germany and Sweden. Strengthening demand for parquet flooring in Finland is reflected by a 25% increase in imports of parquet panels during 2000 compared with the previous year.

Greece Rising imports

The government's tireless campaign to enter the euro-zone the Greek economy failed to qualify when the currency was launched in 1999 - was finally realized on 1st January 2001. During 2000 economic growth was reasonably buoyant at 4.1%, being boosted by strong growth in investment and the easing of interest rates in the run-up to joining monetary union. Although not part of the eurozone during 2000, the Greek currency was closely aligned to the euro and remained weak against the US dollar. The Economist Intelligence Unit forecasts that Greek GDP growth will slow to about 3% in 2001, but may rebound to 3.7% in 2002. Slower growth this year reflects the deterioration in European economic prospects and higher than anticipated inflation. Greece's buoyant economy

Source: Eurostat supplied by BTS and analysed by hardwoodmarkets.com

European annual review

during 2000 is reflected in the wood import data which reveals strong growth in imports of most primary wood products. Greek imports of tropical logs were up 22% by value over the previous year, with Liberia now emerging as a major supplier alongside Gabon and Cameroon. Tropical sawn lumber imports were also up 35% by value, with Ivory Coast and Cameroon by far the major suppliers.

There was also strong growth in imports of temperate hardwood sawn lumber, with imports of beech, oak and other temperate species up 47%, 12% and 8% respectively. The US remains the single largest supplier of temperate hardwood sawn lumber to Greece, with white oak being the dominant species. Despite the weakness of the euro, Greek imports of American hardwoods were on the rise during 2000. However, there was increasing competition from Eastern European suppliers. Greek imports of hardwood lumber from a wide range of Eastern European nations increased dramatically during the year. For example the value of imports of sawn beech from Serbia and Montenegro nearly doubled, while imports of sawn beech and oak from Romania were up 33% and 52% respectively.

Greece uses a significant volume of lower grade hardwood lumber, including oak, iroko and doussie, for traditional flooring. However there has been a trend towards importing kiln dried and higher quality hardwoods. An increasing proportion of American hardwoods are now supplied as FAS material. This trend is mirrored by an increasing preference in Greece for hardwoods from northern rather than southern United States. Darker coloured flooring is currently favoured, but there is a slow trend towards lighter colours.

European hardwoods

Market report Poor demand for beech

Western European suppliers of sawn hardwood continue to meet with poor demand. Stock levels of sawn beech, much of it steamed from storm felled logs, remain high in both France and Germany despite reductions in production. Beech sawn lumber prices continue to show signs of weakness, especially for steamed lumber and in lower grades. Western European production of the best grades of unsteamed "white" beech from new season logs has been much reduced this year - particularly in France - and prices have been more stable.

As beech production has been curtailed, European saw millers have focused more heavily on oak. There has also been high availability of oak logs in Western Europe this year as a result of the December 1999 storms. Processing of these logs, which are less susceptible to rot than

beech when left on the forest floor, began in earnest this year. Although there has been solid demand for oak from stave, furniture and flooring manufacturers this year, it has been insufficient to soak up the extra volume of sawn oak lumber.

Weak exports to China

Exports of European beech to China are insignificant compared to last year. Demand for sawn and edged lumber is very restricted, while demand for logs has been slightly better. The trend towards Chinese imports of logs rather than sawn lumber is likely to be long term, although there is still uncertainty over the impact of China's new phytosanitary measures introduced on 1 July. There are also reports that Chinese importers are now seeking to negotiate direct with forest owners and to avoid dealing through exporting companies. Prices on offer for European beech in the Chi-

Continued on page 14

Greece imports

	-	•••	٠, ١
Value			%
(euro 000s)	1999	2000	chg
Tropical Logs			
GABÓN	9346	11078	18.5
LIBERIA CAMEROON	589 3836	4977 4311	745.0 12.4
LEBANON	0	920	0.0
CONGO REP. BULGARIA	2438 0	514 68	-78.9 0.0
GERMANY	27	33	22.2
OTHER TOTAL	1699 17935	48 21949	-97.2 22.4
Beech Logs			
ROMANIA GEORGIA	121 0	302 119	149.6 0.0
BULGARIA	1		2900.0
SERB & MONT.	0	3	0.0 0.0
	0	0	0.0
 OTHER	0 48	0	0.0 -100.0
TOTAL	170	454	167.1
Oak Logs	00	242	200.0
GERMANY ROMANIA	88 175	343 285	289.8 62.9
ITALY UKRAINE	1 11		2600.0 118.2
TURKEY	0	6	0.0
FRANCE SERB & MONT.	0 2	6 6	0.0 200.0
OTHER	86	2	-97.7
Other Hardwi	363	699	92.6
Other Hardwe	00a L 240	ogs 1577	557.1
BULGARIA	447	412	-7.8
ROMANIA AZERBAIJAN	45 75	196 185	335.6 146.7
SERB & MONT. CANADA	119 615	147 80	23.5 -87.0
UKRAINE	6	65	983.3
OTHER TOTAL	317 1864	100 2762	-68.5 48.2
Tropical Saw			
IVORY COAST	6634	7183	8.3
CAMEROON INDONESIA	1315 114	3491 555	165.5 386.8
NIGERIA	393	402	2.3
BURMA MALAYSIA	161 153	230 219	42.9 43.1
GHANA SINGAPORE	331 47	217	-34.4
ITALY	60	213 205	353.2 241.7
GUINEA CHINA	29 35	141 127	386.2 262.9
U.S.A.	22	121	450.0
OTHER TOTAL	614 9908	243 13347	-60.4 34.7
Beech Sawn			
SERB & MONT	2161	4125	90.9
ROMANIA MACEDONIA	1211 448	1604 488	32.5 8.9
BULGARIA RUSSIA	344	470 316	36.6
ALBANIA	177 210	316 96	78.5 -54.3
BOSN & HERZ. PANAMA	120 0	26 21	-78.3 0.0
GEORGIA	21	19	-9.5
UKRAINE OTHER	7 199	16 31	128.6 -84.4
TOTAL	4898	7212	47.2
Oak Sawn Lu			407
U.S.A. ROMANIA	7546 2177	8808 3307	16.7 51.9
SERB & MONT.	2459	3054 725	24.2
UKRAINE CROATIA	531 579	616	36.5 6.4
RUSSIA BOSN & HERZ.	846	536	-36.6
DUDIN (V DEK)	102		
CZECH REPUBLIC	192 504	479 361	149.5 -28.4
CZECH REPUBLIC BULGARIA	504 703	479 361 236	149.5 -28.4 -66.4
CZECH REPUBLIC BULGARIA HUNGARY OTHER	504 703 124 1094	479 361 236 131 496	149.5 -28.4 -66.4 5.6 -54.7
CZECH REPUBLIC BULGARIA HUNGARY OTHER TOTAL	504 703 124 1094 16755	479 361 236 131 496 18749	149.5 -28.4 -66.4 5.6
CZECH REPUBLIC BULGARIA HUNGARY OTHER TOTAL Other hardwo	504 703 124 1094 16755	479 361 236 131 496 18749	149.5 -28.4 -66.4 5.6 -54.7
CZECH REPUBLIC BULGARIA HUNGARY OTHER TOTAL Other hardwo	504 703 124 1094 16755 OOD S 4129 4417	479 361 236 131 496 18749 awn 4810 4337	149.5 -28.4 -66.4 5.6 -54.7 11.9
CZECH REPUBLIC BULGARIA HUNGARY OTHER TOTAL Other hardwe	504 703 124 1094 16755 OOD S	479 361 236 131 496 18749 awn 4810	149.5 -28.4 -66.4 5.6 -54.7 11.9
CZECH REPUBLIC BULGARIA HUNGARY OTHER TOTAL Other hardwo BULGARIA U.S.A. SERB & MONT. ROMANIA ITALY	504 703 124 1094 16755 DOC S 4129 4417 274 37 2	479 361 236 131 496 18749 aw n 4810 4337 382 108 72	149.5 -28.4 -66.4 5.6 -54.7 11.9 16.5 -1.8 39.4 191.9 3500.0
CZECH REPUBLIC BULGARIA HUNGARY OTHER TOTAL Other hardwe BULGARIA U.S.A. SERB & MONT. ROMANIA	504 703 124 1094 16755 OOD S 4129 4417 274 37	479 361 236 131 496 18749 awn 4810 4337 382 108	149.5 -28.4 -66.4 5.6 -54.7 11.9 16.5 -1.8 39.4 191.9
CZECH REPUBLIC BULGARIA HUNGARY OTHER TOTAL Other hardwe BULGARIA U.S.A. SERB & MONT. ROMANIA ITALY UKRAINE TURKEY CANADA	504 703 124 1094 16755 00d s 4129 4417 274 37 2 7 23 152	479 361 236 131 496 18749 awn 4810 4337 382 108 72 67 66 66	149.5 -28.4 -66.4 -56.6 -54.7 11.9 16.5 -1.8 39.4 191.9 3500.0 857.1 187.0 -57.2
CZECH REPUBLIC BULGARIA HUNGARY OTHER TOTAL Other hardwell bulgaria U.S.A. SERB & MONT. ROMANIA ITALY UKRAINE TURKEY CANADA DENMARK BOSN & HERZ.	504 703 124 1094 16755 DOC S 4129 4417 274 37 2 7 2 7 23 152 0 6	479 361 236 131 496 18749 awn 4810 4337 382 108 72 67 66 65 31 27	149.5 -28.4 -66.4 -56 -54.7 11.9 16.5 -1.8 39.4 191.9 3500.0 857.1 187.0 -57.2 0.0 350.0
CZECH REPUBLIC BULGARIA HUNGARY OTHER TOTAL Other hardwe BULGARIA U.S.A. SERB & MONT. ROMANIA ITALY UKRAINE TURKEY CANADA DENMARK BOSN & HERZ. OTHER	504 703 124 1094 16755 OOD S 4129 4417 274 37 2 7 23 152 0 6 400	479 361 236 131 496 18749 awn 4810 4337 382 108 72 66 65 31 27 198	149.5 -28.4 -66.4 -56. -54.7 11.9 16.5 -1.8 39.4 191.9 3500.0 857.1 157.2 0.0 350.0 -50.5
CZECH REPUBLIC BULGARIA HUNGARY OTHER TOTAL Other hardwe BULGARIA U.S.A. SERB & MONT. ROMANIA ITALY UKRAINE TURKEY CANADA DENMARK BOSN & HERZ. OTHER TOTAL	504 703 124 1094 16755 OOD S 4129 4417 274 37 2 7 23 152 0 6 400 9447	479 361 236 131 496 18749 awn 4810 4337 382 108 72 67 66 65 31 27	149.5 -28.4 -66.4 -56 -54.7 11.9 16.5 -1.8 39.4 191.9 3500.0 857.1 187.0 -57.2 0.0 350.0
CZECH REPUBLIC BULGARIA HUNGARY OTHER TOTAL Other hardwe BULGARIA U.S.A. SERB & MONT. ROMANIA ITALY UKRAINE TURKEY CANADA DENMARK BOSN & HERZ. OTHER TOTAL TTOPICAL VENCENTAL TOTAL TROPICAL VENCENTAL TOTAL TROPICAL VENCENTAL SUCCESSION OF TOTAL TOTA	504 703 124 1094 16755 OOD S 4129 4417 274 37 27 27 23 152 0 6 400 9447	479 361 1236 1311 48749 awn 4810 4837 382 108 72 66 65 31 27 1988 10163	149.5 -28.4 -66.4 -56.5 -54.7 11.9 16.5 -1.8 39.4 191.9 3500.0 -57.2 0.0 350.0 -50.5 7.6
CZECH REPUBLIC BULGARIA UNGARY OTHER TOTAL Other hardword BULGARIA U.S.A. SERB & MONT. ROMANIA ITALY UKRAINE TURKEY CANADA DENMARK BOSN & HERZ. OTHER TOTAL Tropical Vene GERMANY	504 703 124 1094 16755 00d s 4129 4417 274 37 2 7 23 152 0 6 400 9447 9447	479 361 236 131 486 18749 4810 4337 382 108 67 67 66 31 27 198 10163	149.5 -28.4 -56.4 -56.5 -54.7 11.9 16.5 -1.8 -39.4 191.9 -3500.0 857.1 187.0 -0.0 3500.0 3500.5 -7.6 61.0 48.7
CZECH REPUBLIC BULGARIA HUNGARY OTHER TOTAL Other hardwe BULGARIA U.S.A. SERB & MONT. ROMANIA ITALY UKRAINE TURKEY CANADA DENMARK BOSN & HERZ. OTHER TOTAL Tropical Vene GERMANY GHANA IVORY COAST ITALY	504 703 124 1094 16755 00d s 4129 4417 27 37 2 2 7 23 152 0 6 400 9447 9447 9447 92146 632 522 532 394	479 361 131 496 18749 awn 4810 4337 382 108 27 67 66 31 198 10163 3455 940 671 295	149.5 -28.4 -56.4 -56.4 -56.7 -11.9
CZECH REPUBLIC BULGARIA HUNGARY OTHER TOTAL Other hardwell bulgaria U.S.A. SERB & MONT. ROMANIA ITALY UKRAINE TURKEY CANADA DENMARK BOSN & HERZ. OTHER TOTAL Tropical Vene GERMANY GHANA IVORY COAST	504 703 124 1094 16755 000d s 4129 4417 274 37 2 2 7 7 7 23 152 0 6 400 9447 2146 632 394 89 0	479 361 1236 131 496 18749 awn 4810 4337 382 108 72 66 65 65 31 27 198 10163	149.5 -28.4 -66.4 -56.5 -51.9 -11.9 -16.5 -18.3 39.4 191.9 3500.0 -57.2 -0.0 350.0 -50.5 -7.6 -1.8 -1.8 -1.8 -1.8 -1.8 -1.8 -1.8 -1.8
CZECH REPUBLIC BULGARIA HUNGARY OTHER TOTAL Other hardwe BULGARIA U.S.A. SERB & MONT. ROMANIA ITALY UKRAINE TURKEY CANADA DENMARK BOSN & HERZ. OTHER TOTAL Tropical Vene GERMANY GHANA IVORY COAST ITALY FRANCE	504 703 124 1094 16755 00d s 4129 4417 274 37 2 7 7 2 3 152 0 6 400 9447 2 2 152 0 6 6 400 9447 2 2 152 2 3 4 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	479 361 131 496 18749 awn 4810 4837 382 108 72 67 66 531 27 198 10163	149.5 -28.4 -56.4 -56.5 -51.9 -51.8 -51.8 -51.8 -51.8 -57.2 -57.2 -50.5 -7.6 -61.0 -

<u>(euro 0</u> 0	00s)	1999	2000	% chg
Other H	lardy			' S 34.0
U.S.A. GERMANY	,	3771 4343	5054 2669	-38.5
ITALY HUNGARY	,	2929 255	2215 670	-24.4 162.7
FRANCE CANADA		344 59	557 383	61.9 549.2
OTHER		1763	2119	20.2
Softwo	od V	13464 Angers	13667	1.5
ITALY		362	1132	212.7
GERMANY U.S.A.	,	1231 10	865 263	-29.7 2530.0
CROATIA HUNGARY	,	0	82 76	0.0
TURKEY		0	59	0.0
OTHER TOTAL		76 1679	132 2609	73.7 55.4
Tropica	al Ply			
BRAZIL GHANA		1012 321	1837 675	81.5 110.3
MALAYSIA IVORY CO	лет	1322 451	601 349	-54.5 -22.6
SINGAPOR	RE	396	324	-18.2
CAMEROO OTHER	ON	788 1379	191 475	-75.8 -65.6
TOTAL		5669	4452	-21.5
Other H	ıardv	vood P	lywoo 694	654.3
FINLAND		410	464	13.2
BULGARIA TURKEY		191 164	270 221	41.4 34.8
ROMANIA ITALY		67 45	142 65	111.9 44.4
OTHER		146	169 2025	15.8
Softwo	od D	1115 Ivwood		81.6
BRAZIL	Ju P	745	1973	164.8
FINLAND RUSSIA		753 714	764 598	1.5 -16.2
FRANCE GERMANY	,	467 229	402 346	-13.9 51.1
CAMERO		86	251	191.9
OTHER TOTAL		1122 4116	874 5208	-22.1 26.5
Sleepe	rs			
		0	0	0.0
		0	0	0.0
OTHER		0	0	0.0
Profile	4 /V/~	od - Sc	0 Sftwoo	0.0
FINLAND		2153	1436	-33.3
GERMANY SWEDEN	/	455 1350	963 954	111.6 -29.3
ITALY OTHER		492	381	-22.6
		720		
TOTAL		720 5170	697 4431	-3.2 - 14.3
TOTAL	d Wo		4431	-14.3
Profile	d Wo	5170 od - Ha 1853	4431 ardwo	-14.3 od 2.0
Profile ITALY SWEDEN HUNGARY	,	5170 od - Ha 1853 697 547	4431 ardwo 1890 1062 585	-14.3 Od 2.0 52.4 6.9
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER	,	5170 od - Ha 1853 697 547 C 252 2576	4431 Ardwood 1890 1062 585 325 3142	-14.3 2.0 52.4 6.9 29.0 22.0
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER TOTAL	/ EPUBLI	5170 Od - Ha 1853 697 547 C 252 2576 5925	4431 1890 1062 585 325 3142 7004	-14.3 2.0 52.4 6.9 29.0 22.0 18.2
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER	/ EPUBLI	5170 Od - Ha 1853 697 547 C 252 2576 5925	4431 1890 1062 585 325 3142 7004	-14.3 2.0 52.4 6.9 29.0 22.0 18.2
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER TOTAL Wood ITALY BELGIUM	, EPUBLI	5170 Od - Ha 1853 697 547 C 252 2576 5925 OWS ar 959 0	4431 470 1890 1062 585 325 3142 7004 7004 7004 7004 7004 7004	-14.3 Od 2.0 52.4 6.9 29.0 22.0 18.2 nes -50.7 0.0
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER TOTAL Wood ITALY BELGIUM SLOVENIA GERMANY	, EPUBLIO wind	5170 od - Ha 1853 697 547 C 252 2576 5925 ows ar 959 0 69 126	4431 1890 1062 585 325 3142 7004 106 fran 473 106 77 71	-14.3 2.0 52.4 6.9 29.0 22.0 18.2 nes -50.7 0.0 11.6 -43.7
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER TOTAL WOOD ITALY BELGIUM SLOVENIA	, EPUBLIO wind	5170 Od - Ha 1853 697 547 C 252 2576 5925 OWS ar 959 0 69	4431 1890 1062 585 325 3142 7004 1d fran 473 106 77	-14.3 Od 2.0 52.4 6.9 29.0 22.0 18.2 nes -50.7 0.0 11.6
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER TOTAL Wood ITALY BELGIUM SLOVENIA GERMANY OTHER TOTAL Wood Wood Wood Wood Wood Wood Wood Woo	wind	5170 Od - Ha 1853 697 547 C 252 2576 5925 OWS ar 959 0 69 126 1728 s and f	4431 ardwoo 1890 1062 585 3255 3142 7004 106 77 71 184 911	-14.3 Od 2.0 52.4 6.9 29.0 18.2 nes -50.7 0.0 11.6 -43.7 -67.9 -47.3
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER TOTAL WOOD ITALY BELGIUM SLOVENIA GERMANY OTHER TOTAL	wind	5170 od - Ha 1853 697 547 C 252 2576 5925 OWS ar 959 0 959 126 574 1728 s and f	4431 ardwood 1890 1062 585 325 3142 7004 and fram 473 106 77 71 184 911 frames 2469	-14.3 Od 20 52.4 6.9 29.0 22.0 18.2 nes -50.7 0.0 11.6 -43.7 -67.9 -47.3
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER TOTAL Wood ITALY BELGIUM SLOVENIA GERMANY OTHER TOTAL Wood ITALY FINLAND GERMANY	wind	5170 od - Ha 1853 697 547 C 2522 2576 5925 OWS ar 959 0 126 9 126 574 1728 s and f 3195 0 288	4431 ardwood 1890 1062 585 325 3142 7004 ad fram 473 106 77 71 1941 941 rames 2469 163 127	-14.3 Od
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER TOTAL Wood ITALY BELGIUM SLOVENIA GERMANY OTHER TOTAL Wood ITALY FINLAND GERMANY INDONESI	wind	5170 Od - Ha 1853 697 547 C 2526 2576 5925 OWS ar 959 0 69 126 774 1728 s and f 3195 288 155 1272	4431 ardwood 18890 18890 18890 1890 325 3142 7004 473 1066 77 71 184 911 frames 2469 163 127 104	-14.3 Od
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER TOTAL Wood ITALY BELGIUM SLOVENIA GERMANY OTHER TOTAL Wood ITALY FINLAND GERMANY INDONESI OTHER TOTAL	wind	5170 Od - Ha 1853 697 547 C 2522 2576 5925 OWS ar 959 0 69 126 774 1728 s and f 3195 0 288 155 1272 4910	4431 ardwoo 1890 1062 585 325 3142 7004 473 106 77 71 184 911 5469 163 127 104	-14.3 Od 2.0 52.4 6.9 29.0 29.0 18.2 nes -50.7 0.0 11.6 -43.7 -67.9 -47.3 6 -22.7 0.0 -55.9 -32.9
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER TOTAL Wood ITALY BELGIUM SLOVENIA GERMANY OTHER TOTAL Wood ITALY FINLAND GERMANY INDONESI	wind doors	5170 Od - Ha 1853 697 547 C 2522 2576 5925 OWS ar 959 0 69 126 774 1728 s and f 3195 0 288 155 1272 4910	4431 ardwood 18890 18890 18890 1890 325 3142 7004 473 1066 77 71 184 911 frames 2469 163 127 104	-14.3 Od
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER TOTAL Wood ITALY BELGIUM SLOVENIA GERMANY OTHER TOTAL Wood ITALY FINLAND GERMANY INDONESI OTHER TOTAL Parque GERMANY ITALY	wind doors	5170 od - Ha 1853 697 547 C 2526 2576 5925 OWS ar 959 0 69 126 774 1728 s and f 3195 1272 4910 nels 505 277	4431 ardwoo 1890 1890 1895 325 3142 7004 106 fran 473 106 77 71 184 911 frames 2469 163 127 104 701 3564	-14.3 od 20 52.4 6.9 29.0 22.0 10.0 11.6 -43.7 -67.9 -47.3 -22.7 00 -55.9 -44.9 -27.4 41.0 71.1
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER TOTAL Wood ITALY BELGIUM SLOVENIA GERMANY TOTAL WOOD ITALY FINLAND GERMANY INDONESI OTHER TOTAL Parque GERMANY ITALY BELGIUM FRANCE	wind doors	5170 Od - Ha 1853 697 547 C 2576 5925 OWS ar 959 0 69 126 574 1728 s and f 3195 1272 4910 Tels 505 277 1592	4431 ardwoo 18890 1062 585 325 3142 7004 ard fram 473 101 184 911 frames 2469 163 127 104 701 3564	-14.3 Dd 20 20 20 220 220 18.2 18.2 18.2 19.6 43.7 -67.9 47.3 67.9 27.4 41.0 71.1 176.6 98.1
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER TOTAL WOOD ITALY BELGIUM SLOVENIA GERMANY OTHER TOTAL WOOD ITALY FINLAND GERMANY INDONESI OTHER TOTAL Parque GERMANY ITALY BELGIUM	wind doors	5170 Od - Ha 1863 697 547 C 2526 2576 5925 OWS ar 959 0 126 69 1728 5 and f 3195 1272 4910 nels 505 277 159	4431 ardwood 1890 1890 1895 325 3142 7004 106 77 71 1891 183 194 163 127 104 701 13564 712 474 187	-14.3 Dd 200 52.4 6.9 29.0 22.0 18.2 PES -50.7 0.0 11.6 -67.9 -47.3 -22.7 0.0 -55.9 -32.9 41.0 71.1 17.6
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER TOTAL WOOD ITALY BELGIUM SLOVENIA GERMANY OTHER TOTAL WOOD ITALY FINLAND GERMANY INDONESI OTHER TOTAL Parque GERMANY ITALY BELGIUM FRANCE OTHER TOTAL WOOD GERMANY ITALY BELGIUM FRANCE OTHER TOTAL WOOD OTHER TOTAL WOOD OTHER TOTAL WOOD OTHER TOTAL	wind doors	5170 Od - Ha 1863 857 547 C 2526 2576 5925 OWS ar 959 0 126 574 1728 s and f 3195 1272 4910 1els 505 277 159 52 249 1242 rniture	4431 ardwoo 1890 1062 585 325 3142 7004 106 77 71 184 911 rames 2469 163 127 104 701 3564 712 474 187 103 240 1716	-14.3 Pod 200 200 200 18.2 Pos 24.3 Pos 25.5 Pos
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER TOTAL Wood ITALY BELGIUM SLOVENIA GERMANY OTHER TOTAL WOOD ITALY BELGIUM SLOVENIA GERMANY ITALY BELGIUM SLOVENIA GERMANY ITALY BELGIUM FINLAND GERMANY ITALY BELGIUM FRANCE OTHER TOTAL WOOD ITALY WOOD ITALY WOOD ITALY	wind doors	5170 Od - Ha 1853 697 547 C 2522 2576 S99 0 99 126 1728 s and f 3195 0 288 155 1272 4910 Ole S 52 249 1242 rniture 64347	4431 ardwoo 1889 1889 1885 325 3142 7004 166 77 71 184 911 frames 2469 163 127 104 701 3564 77 71 103 240 1716	-14.3 Pod 200 524 6.9 29.0 18.2 18.2 18.2 18.2 18.2 18.2 18.2 18.2
Profile ITALY SWEDEN HUNGARY CZECH RE OTHER TOTAL Wood ITALY BELGIUM SLOVENIA GERMANY OTHER TOTAL WOOD ITALY FINLAND GERMANY INDONESI OTHER TOTAL PARMAN INDONESI OTHER TOTAL WOOD ITALY BELGIUM FRANCE OTHER TOTAL WOOD ITALY SPAIN INDONESI	wind doors	5170 Od - Ha 1853 857 547 C 2526 2576 5925 OWS ar 959 0 69 126 574 1728 S and f 3195 1272 4910 nels 505 2249 1249 rniture 64347 7180 4370	4431 ardwoo 1890 1062 585 325 3142 7004 ard fran 473 106 67 77 71 184 911 rames 2469 163 127 104 701 3564 712 474 187 103 240 1716 66494 8114 6167	-14.3 Pod 200 524 6.9 29.0 18.2 Pos 6.9 2.0 18.2 Pos 6.9 2.0 18.2 Pos 6.9 2.0 11.6 Pos 6.9 2.0 Pos 6.9 2.0 Pos 6.9 2.0 Pos 6.9 2.7 4.9 2.7 4 1.0 71.1 17.6 98.1 2.3 6.3 8.2 3.3 3.3 3.3 4.1 41.1 41.1 41.1 41.1 41.
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European hardwoods

Continued from page 13

nese market are still well below producers expectations. More positive for European exporters is the news that stocks of sawn beech in China have been much reduced during the course of this year. But European exporters will have to work hard to overcome some poor perceptions of European beech that developed in China last year following the supply of large volumes of relatively low grade beech from stormfelled stock.

Slow German construction

Hardwood demand in Germany is weak due to the slowdown in construction and declining business confidence. Stair manufacturing, previously a source of reasonable demand, has now slowed as housing starts have faltered. The German furniture industry is also subdued. Weak export markets for German producers have led to greater volumes being offered on the domestic market, increasing pressure on prices.

The Spanish market for both European

beech and oak has become increasingly crowded as demand has weakened elsewhere. Producers in France, Germany and Eastern Europe are now looking to increase sales to Spain. While there has been steady buying in Spain, this has not been sufficient to take up the slack.

Good demand in the UK

Demand for European hardwoods in the UK has been good, boosted by the weak euro and competitive pricing. Italian producers of oak and beech lumber based on Slovenian logs are also finding an increasingly receptive market in the UK. The product is available square-edged and kiln dried. Hardwood exporters in both East and West Europe are now seeking to develop new markets in the Middle East, North Africa, and Asia. The signs are that there will be fierce competition, not least because European ambitions coincide with those of American hardwood exporters who are also looking for new export market outlets as American demand has slumped.

					inge ra					
		One	GB po			US Do	lar (\$)		One Eu	ro
		27-Apr	25-May		30-Mar		6-Jul	30-Mar	27-Apr	6-Jul
Argentina	Peso	1.4357	1.4199	1.406	0.9993	0.9995	0.9998	0.892	0.8564	0.8443
Australia	Aus.\$	2.8174	2.736	2.7738	1.961	1.9259	1.9724	1.7503	1.6501	1.6657
Bangladesh	Taka	77.7255	76.8572	81.0733	54.1	54.1	57.65	43.287	46.353	48.6855
Belgium	Belgian Fr.	64.9335	66.8871	67.1759	45.1962	47.082	47.7678	40.34	40.34	40.3399
Belize	B\$	2.8303	2.7987	2.7704	1.97	1.97	1.97	1.7583	1.6879	1.6637
Bolivia	Boliviano	9.3429	9.3102	9.3027	6.503	6.5535	6.615	5.8043	5.6151	5.5864
Botswana	Pula	8.0555	7.9455	8.0915	5.607	5.5928	5.7537	5.0045	4.792	4.8591
Brazil	Real	3.1931	3.3684	3.5158	2.2225	2.371	2.5	1.9837	2.0315	2.1113
Fr. Africa*	CFA Fr.	1055.87	1087.64	1092.33	734.93	765.59	776.74	655.96	655.96	655.96
Canada	Canadian \$	2.2133	2.1962	2.1338	1.5405	1.5459	1.5173	1.375	1.3245	1.2814
Chile	Peso	861.661	861.127	910.509	599.750	606.150	647.450	535.307	519.349	546.772
China	Yuan	11.892	11.7589	11.6397	8.2773	8.2771	8.2768	7.3879	7.0919	6.9898
Czech Republic	Koruna	55.5773	56.87	56.8848	38.684	40.031	40.45	34.527	34.299	34.16
Denmark	Danish Krone		12.3675	12.3926	8.3635	8.7055	8.8122	7.4649	7.4589	7.4419
Estonia	Kroon	25.1794	25.9451	26.0586	17.5259	18.263	18.5299	15.643	15.648	15.6485
Europe	Euro	1.6097	1.6581	1.6653	1.1204	1.1671	1.1841	1	1	1
Finland	Markka	9.5706	9.8586	9.9012	6.6615	6.9395	7.0406	5.9457	5.9457	5.9457
France	Franc	10.5587	10.8764	10.9233	7.3493	7.6559	7.7674	6.5596	6.5596	6.5596
Germany	D-mark	3.1482	3.2429	3.2569	2.1913	2.2827	2.316	1.9558	1.9558	1.9558
Ghana	Cedi	10811.20	10868.00	10266.00	7525.00	7650.00	7300.00	6716.45	6554.55	6164.87
Guyana	Guyanese \$	259.324	256.427	253.837	180.500	180.500	180.500	161.105	154.652	152.432
Hong Kong	HK\$	11.2051	11.0808	10.96	7.7992	7.7998	7.7999	6.9612	6.6829	6.587
India	Rupee	67.3123	66.7209	66.2649	46.852	46.965	47.12	41.818	40.24	39.7929
Indonesia	Rupiah	16917.0	16273.5	15933.4	11775.0	11455.0	11330.0	10509.8	9814.7	9568.2
Irish Republic	Punt	1.2677	1.3059	1.3115	0.8824	0.9192	0.9326	0.7876	0.7876	0.7876
Italy	Lira	3116.73	3210.51	3224.37	2169.37	2259.89	2292.80	1936.27	1936.27	1936.27
Japan	Yen	177.842	171.451	177.25	123.785	120.69	126.04	110.48	103.4	106.441
Kenya	K. Shilling	111.431	112.445	110.781	77.56	79.15	78.775	69.226	67.816	66.5255
Korea South	Won	1905.78	1831.36	1823.27	1326.50	1289.10	1296.50	1183.97	1104.50	1094.89
Liberia	Liberian \$	1.4367	1.4207	1.4063	1	1	1	0.8926	0.8568	0.8445
Malaysia	Ringgit	5.4595	5.3985	5.344	3.8	3.8	3.8	3.3917	3.2558	3.2091
Myanmar	Kyat	9.5963	9.6346	9.6593	6.6794	6.7818	6.8686	5.9617	5.7753	5.7692
Netherlands	Guilder NZ\$	3.5472	3.654	3.6697	2.469	2.572	2.6095 2.4832	2.2037	2.2037	2.2037
New Zealand Nigeria	NZ\$ Naira	3.4868 172.045	3.3474 161.954	3.4922 157.717	2.4269 119.750	2.3563 114.000	112.150	2.1661 106.883	2.0189 97.675	2.0971 94.711
Papua NG	Kina	4.195	4.454	4.6496	2.9199	3.1352	3.3063	2.6062	2.6862	2.7922
		73.1281	71.7784	74.3511	50.9	50.525	52.87	45.431		
Philippines Poland	Peso Zloty	5.7145	5.7005	5.885	3.9775	4.0126	4.1848	3.5501	43.29 3.438	44.6488 3.534
Portugal	Escudo	322.708	332.417	333.852	224.617	233.989	237.397	200.482	200.482	200.482
Romania	Leu	40500.6	40711.6	41071.0	28190.0	28657.0	29205.0	25161.0	24553.3	24663.6
Russia	Rouble	41.6026	41.3367	41.0724	28.957	29.097	29.206	25.846	24.93	24.6645
Singapore	Singapore \$	2.6134	2.5707	2.5704	1.819	1.8095	1.8278	1.6236	1.5504	1.5436
Solomon Islands		7.5895	7.5486	7.5324	5.2826	5.3135	5.3562	4.715	4.5261	4.5233
South Africa	Rand	11.4613	11.2409	11.5362	7.9775	7.9125	8.2033	7.1204	6.7795	6.9277
Spain	Peseta	267.825	275.883	277.074	186.417	194.195	197.023	166.386	166.386	166.386
Sweden	Krona	14.6252	15.019	15.4302	10.1797	10.572	10.9722	9.0859	9.058	9.266
Taiwan	\$	47.3077	47.5918	48.4752	32.928	33.5	34.47	29.39	28.703	29.1099
Tanzania	Shilling	1280.10	1265.80	1250.20	891.00	891.00	889.00	795.26	763.41	750.76
Thailand	Baht	65.6579	64.7036	63.7827	45.7005	45.545	45.355	40.79	39.023	38.3023
Uganda	New Shilling	2564.51	2532.31	2411.81	1785.00	1782.50	1715.00	1593.20	1527.25	1448.32
United Kingdom	£	1.0000	1.0000	1.0000	0.6960	0.7039	0.7111	0.6213	0.6031	0.6005
U.S.A	US \$	1.4367	1.4207	1.4063	1	1	1	0.8926	0.8568	0.8445
Venezuala	Bolivar	1022.580	1018.970	1012.190	711.755	717.255	719.755	635.277	614.544	607.833
Vietnam	Dong	20927.0	20783.4	20901.8	14566.0	14629.5	14863.0	13000.9	12534.6	12551.8
Zimbabwe	\$	79.0545	78.2068	78.0497	55.025	5.05	55.5	49.113	47.167	46.8699
	CAR Cond						- 3.0			

European sawnwood indicative prices					
	Apr	May	<u>Jun</u>		
Exchange rates					
DM/£	3.15	3.24	3.26		
DM/US\$	2.19	2.28	2.32		
Euro/£	1.61	1.66	1.67		
Euro/US\$	1.12	1.17	1.18		
German beech					
Northern Germany, D	0M/m3, C8	RF, UK Po	rt		
Grade: kiln dried, stean	ned and sq	uare edged			
1"	1475	1475	1475		
2"	1575	1575	1575		
German oak					

Northern Germai	ny, DIVI/m3,	C&F, UK F	ort
Grade: kiln dried, v	vaney edged	prime grade	e*.
1"	1505	1505	1505
2"	1945	1945	1945
*waney edged pric	es provided	as there is	very little
square edged available from Germany or France -			
French prices are similar to German prices			

Croatian oak

Croatian oak			
Northern Italy, Euro	o/m3, C&F, l	JK Port	
Grade: kiln dried and	square edged	d.	
1"	920	920	920
Grade: kiln dried and 1" 2"	1400	1400	1400

South America Mahogany lumber Firm demand boosts prices

Log extraction in the tropical regions of Northern Brazil has been delayed over recent weeks by rain, unusual at this time of year. However some Brazilian exporters have been able to acquire stocks of mahogany and shipments are being made. As in previous years, the majority of Brazil's mahogany, both FAS and lower grades, is being sent to the US in air dried form, with only small volumes being sold kiln dried to the UK.

Demand for Brazilian mahogany in the United States is reported to be good. The strength of US demand, coupled with restricted availability of mahogany throughout South America, has meant that prices are even higher than last season.

Some UK importers have been deterred by the higher prices, but those with a long-term interest in American mahogany and who retain regular customers are reported to be accepting the higher prices. New season deliveries of Brazilian mahogany should start to arrive in the UK

Continued on page 15

US American mahogany imports			
000s US \$	Jan-Mar	Jan-Mar	%
	2000	2001	Chng
Peru	8843	12667	43
Brazil	5297	8426	59
Bolivia	3072	1887	-39
Nicaragua	100	284	184
Panama	0	221	na
Others	247	175	-29
Total	17559	23660	35

South America

Continued from page 14

later this month.

Exports of Peruvian mahogany have been disrupted this year by uncertainty surrounding new regulations designed to encourage value added processing in Peru and which officially prohibited mahoagany sawn lumber exports from 1 January 2001. It is unclear how the government of President Toledo, newly elected in early June, will interpret and seek to implement the regulations. So far this year, it appears exports of mahogany sawn lumber from Peru have been allowed. Data published by the IWPA demonstrates that during the first quarter of this year, Peru maintained its position as the leading supplier of mahogany sawn lumber to the United States. Small volumes of new season mahogany sawn lumber are also now being exported from Peru to the UK.

The IWPA data indicates some notable changes in the pattern of US mahogany imports this year. Exports from both Peru and Brazil were higher than the same period the previous year. This may be partly due to bureaucratic problems which delayed exports from both countries at the end of last year. Another factor has been the removal of Bolivia as a major player in the market as that country has focused more on exports of FSC-certified lesser-known species. Another trend is the rising value of US mahogany imports, presumably from plantations, in several Central American countries, notably Nicaragua and Panama.

Brazilian sawn lumber Indicative prices				
	<u>Apr</u>	May	<u>Jun</u>	
Exchange rates \$/£	1.44	1.42	1.41	
US\$/m3 C&F UK Port Grade & size: FAS, width 6"+ avg 9-10", length 6'+ avg 10-11', air dried (AD) or kiln dried (KD)				
Mahogany (Swi	etenia)			
1"-2" AD	1400	1450	1490	
2.5"-3" AD	1420	1470	1510	
1"-2" KD	1470	1520	1560	
2.5"-3" KD	1500	1550	1590	
Virola 1" KD No.1 C&B				
boards	380	380	380	
strips	380	380	380	
Cedro				
1"-1.5" KD	725	725	725	
2" KD	750	750	750	
2.5"-3" KD	775	775	775	

Association Profile - ATIBT - International

Members: 200 direct members from 33 tropical producer and consumer countries including international and national institutions, research organisations, consultants, companies and trade associations, equipment suppliers and transport companies.

The International Technical Tropical Timber Association – ATIBT – is a non-political and non-governmental organization that has been active in the tropical timber industry since 1951, when it was founded at the request of the FAO and OECD. Having helped to reorganize and rationalize the tropical timber trade in post-war years, ATIBT has moved with the times and now plays an active role handling issues which today affect the tropical timber profession. ATIBT is a source of technical and commercial information for both timber professionals and outsiders. The

organisation provides members with the latest inside information on tropical forest economy, policy and on tropical timber technologies, and will also arrange business contacts. ATIBT has created standards and other tools for the tropical forest industry and timber trade, and has put these into use. These tools include:

- ■Tropical Timber Atlases for Africa, Asia and Latin America listing over 300 species with their origins, their standard names and their physical and mechanical properties (in 3 languages).
- ■The ATIBT Grading Rules for round wood and sawn lumber. These are supported by ATIBT's annual training sessions on timber grading.
- ■A Shipping Guide is in preparation, which will document standards and technical innovations in the transport sector (container shipping, digital bills of lading).
- A twice yearly Newsletter containing

current trade and market information, including export statistics (English and French).

A current priority is to promote sustainable forest management. ATIBT takes an active part in the international dialogue on this issue and carries out practical measures. For example, ATIBT has prepared a manual on sustainable tropical forest management, followed recently by a joint FAO-ATIBT publication on the effects of Road Infrastructure in tropical forests. A practical manual on forestry techniques for forest company managers is in preparation.

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Hardwood Events

Date	Event	Venue	Target audience	Contact
2001 24-29 Sept	FIM	Valencia, Spain	Furniture industry	
4-5 Oct	ATIBT 50th Anniversary Forum	FAO Headquarters Rome	Tropical forestry, trade and industry	ATIBT, Paris, Tel: +33 143 42 42 00 Fax: +33 1 43 42 55 22, www.atibt.com
1-3 Oct	Tropical Forestry Research in the New Millennium	Kuala Lumpur, Malaysia	Tropical forestry	www.frim.gov.my
25-26 Oct	American Hardwood Export Council European Convention	Dublin	Timber trade	AHEC London, Tel (+44) 0207 626 4111 Fax, (+44) 0207626 4222
5-10 Nov	Batimat	Paris, France	International building industry	www.batimat.com
6-10 Nov	Maderalia	Valencia, Spain	Suppliers to the furniture industry	
20-24 Nov	The Fifth Plywood and Tropical Timber International Congress and Expo	Belem, Brazil	Timber and plywood trade	contact WR Sao Paulo email: wrsp@uol.com.br

Rain in Africa

The major African producing region are now experiencing heavy rains. As usual at this time of year, many mills are shutting down operations for maintenance work and vacations. European forward demand for African hardwoods is subdued as importers are still working through stocks built up earlier in the year and as the holiday season beckons. Worsening economic conditions in the Far East have led to slower buying there. However there are reports of reasonable forward demand for African hardwoods in the UK. Although there is talk of lower prices for certain species as demand has weakened, stocks in Africa are restricted for the time of year and many exporters have been unwilling to reduce prices to boost sales. Page 3

Meranti demand still very slow

Trading conditions for Malaysian lumber producers remain very difficult. Forward demand in Europe is restricted and is hampered by the strength of the dollar against the euro. There are also high stocks in continental Europe, notably in the Netherlands, the leading market for dark red meranti and seraya. Lumber production in Malaysia is very low this year, and inventories are well down on previous years. **Page 4**

US - Second half rebound?

US business conditions, while not good, do not appear to be getting worse. Most manufacturers are already in the throws of recession. But there is some good news. The housing sector continues to do well. Consumer confidence has been resilient. The economy may start to benefit later this year from tax cuts. These factors may allow America to climb out of its economic hole later this year. In the meantime, hardwood demand from US manufacturers has been poor. **Pages 5 & 6**

US export demand subdued

European demand for American hardwoods has been subdued during June, and is expected to wind down further during the summer months. European importers are being cautious, deterred by evidence of economic cooling, notably in Germany, and the strength of the dollar against European currencies. Buying of American hardwood lumber in Greater China has remained reasonably active, despite some Chinese furniture manufacturers reducing production in response to slowing export demand. Demand for American hardwoods in Japan, Indonesia, and South Korea has been subded during the second quarter of the year, but there has been more interest from Malaysia and Thailand. Page 6 & 7

European producers focus on oak

Western European producers of sawn hardwood continue to meet with poor demand. Stock levels of sawn beech, much of it steamed from storm felled logs, remain high in both France and Germany despite reductions in production. As beech production has been curtailed this year, European sawmillers have focused more heavily on oak. Although there has been solid demand for oak from stave, furniture and flooring manufacturers this year, it has been insufficient to soak up the extra volume. Page 3

Mahogany demand good

Brazilian mahogany log extraction has been delayed over recent weeks by rain, unusual at this time of year. However some Brazilian exporters have acquired stocks of mahogany and shipments are being made. As last year, the majority is being sent to the US in air dried form and demand is still good. Pages 14 & 15

Japan's transformation

Weak market conditions, coupled with major changes on the supply side, are contributing to a transformation in the structure of Japan's hardwood importing trade. Japan's plywood manufacturers, a major source of demand for tropical logs, have been progressively switching to lower cost and more widely available softwood logs. Japanese manufacturers of wood products are coming under intense pressure from importers. Indonesian, Malaysian and, more recently,

Chinese producers of lumber and plywood have been able to undercut Japanese mills. The value of Japan's furniture imports shot up 17% during 2000 compared with the previous year to 329 billion yen. **Pages 1 & 5**

Editorial - a forecast

Economic data suggests that the second half of 2001 may be characterised by relatively subdued global demand for hardwoods. However this may be matched by relatively low levels of supply. Looking further ahead, many analysts are optimistic that the global economic downturn, while sharp, may be relatively short-lived. While many hardwood traders have been afflicted by slow demand and high inventories during the first half of 2001, market conditions may be reversed by the beginning of next year. There may be shortfalls in the supply of many species and grades as demand rises. **Page 3**

European hardwood review

More highlights from our review of 2000:

- ■UK hardwood importers had a buoyant year during 2000, but conditions this year are less favourable.
- ■Ireland reduced tropical lumber imports from Ivory Coast and Ghana last year, while imports from Cameroon leapt by 151%. Ireland is now emerging as a significant buyer of American white oak.
- Denmark's hardwood imports rose strongly last year, but this year economic growth has been hit by concerns over the slowdown in neighbouring Germany
- ■There was strong demand for oak from Sweden's parquet flooring manufacturers during 2000. Construction sector activity in Sweden is forecast to grow more strongly than in any other EU nation this year.
- ■Finland, although still a minor importer, was a growing market for high quality hardwoods last year
- ■Greece also bought significantly more hardwoods during 2000. American hardwoods are coming under intense competitive pressure from Eastern Europe.

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