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Challenges mount for Indonesian plywood

International demand for tropical hardwood plywood remains subdued. Although there have been reports of short-term price gains since the start of the year, prices remain at historically low levels. There are signs now that the trade is about to enter a new phase. A wide range of technical, political and environmental factors may combine over coming months to alter the dynamics of the trade. The overall impact of these factors on supply and demand is very uncertain. But signs are the Indonesian industry will be affected most.

Taking a short term perspective, there have been signs in recent months of prices rising from bottom in response to supply issues. In the Far East, government efforts to impose greater controls on log harvests have contributed to rising raw material costs and to shipping delays as vessels have to travel around to accumulate full cargos. In Indonesia, rising costs coupled with weakening in the US dollar exchange rate has increased pressure on plywood mills to obtain higher prices. At present Indonesian plywood prices are extremely variable, anywhere between less 18 and less 25 against the INDO96 list, depending on how desperate mills are to generate cash.

Brazilian trade better balanced

There were also signs of upward moves in prices for Brazilian hardwood plywood during the second quarter of this year. Prices fell dramatically in the last quarter of 2002 due to over-stocking. However Brazilian mills have now reduced output of hardwood plywood so that supply is better balanced with demand. There have been reports that the K14 list price increased from depths of around -44 early this year to around -34 or even better.

But taking a long term perspective, the reality is that tropical hardwood plywood prices have still not recovered from the huge drop in 1997. This collapse was brought on by the Asian financial crises, which in turn led to a dramatic fall in the value of the Indonesian rupiah. In an effort to capture greater share of a shrinking global plywood market, Indonesian plywood mills forced down the dollar value of their product - encouraged by the fact that they would receive more rupiah's for their dollars. Soon afterwards, the collapse of the Suharto regime in 1998 led to a loss of control over log harvesting in the country, and a dramatic increase in availability of cheap illegally felled logs. And following an IMF intervention, Indonesia's plywood association - APKINDO - which formerly acted as a cartel, could no longer set higher prices.

Massive over-capacity in Indonesia

Underlying all these problems, has been massive over-capacity in the Indonesian plywood sector. Indonesian mills have faced severe financial problems. Low product prices, intensely competitive markets and the weak rupiah have meant that they have lacked funds to import equipment and essential raw materials. There have been closures, but many mills have managed to stagger on, relying on cheap illegally sourced logs and weak bankruptcy procedures. Now these mills face new challenges which many may be unable to meet. Illegal logging is increasingly regarded as a key political issue not only in Indonesia but in some export markets, notably Japan and the U.K. Controls on Indonesian plywood imports into both markets are set to increase. Last year, the U.K. government signed a joint

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Editorial - illegal logging

Proposals to introduce new trade measures to tackle illegal logging are irrational and will be unworkable

Illegal logging has become a key political and market issue in recent months. Environmental groups like the Environmental Investigation Agency (EIA) and Greenpeace have fueled concern through campaigns targeting the illegal trade in logs, notably in Indonesia, the Congo Basin, and the Russian Far East. Governments are responding with a range of initiatives under the Forest Law Enforcement and Governance (FLEG) process. Few now dispute that illegal logging is a serious problem in some areas. However a debate is raging over the best response to this issue. European environmental groups tend to stress the role of the international timber industry as a major cause of the problem. As a result, they advocate new controls on the international trade in timber as a central part of the solution. Many are now calling for the introduction of new laws that will make import of illegally felled timber a criminal offence in the EU.

The European Commission was heavily influenced by the green lobby when it prepared its recently published "Illegal Logging Action Plan". This plan proposes the establishment of voluntary bilateral agreements between the EU and timber producing countries. Under these bilateral agreements, it calls for new procedures for "legality licenses" which would require independent verification of the legality and origin of timber supplied to the EU.

But such bureaucratic trade measures may simply repeat past errors. In all the major wood producing nations, there are already comprehensive rules and regulations governing the wood trade. A problem is that in some countries these have been developed without adequate consultation with communities and industry, and without first ensuring they have capacity for effective implementation. This bureaucratic approach has, in fact, been a major cause of illegal trade - since it has encouraged mills starved of wood under official rules to ignore these and turn to the "grey" market.

Now the European Commission and green lobby are advocating the introduction of new trade legislation in an effort to overcome failures in the functioning of existing regulatory frameworks. Not only does this seem irrational, it is also likely to be unworkable. Such an approach underestimates the complexities of trading chains that would make enforcement extremely difficult. The logistical problems of actually monitoring and policing traceability of wood product flows are considerable. It may be achieved, following considerable investment of time and effort, for primary wood products if these derive from fairly large contiguous forest estates. But it becomes increasingly challenging when dealing with large numbers of small forest owners or with further processed products. In an effort to side-step this issue, the EC Action Plan proposes that legality licenses would apply only to a limited range of solid wood products. Roundwood and rough sawn lumber are specifically mentioned. But this only shifts the problem. Measures targeting EU imports of primary wood products would simply lead to the diversion of such products to manufacturers outside the EU - for "laundering" through incorporation into further processed and finished products. These products may then be shipped to the EU without further scrutiny.

Illegal logging is a cancer degrading forests and undermining the international timber trade. Timber trading companies need to ensure they are not fueling the problem, by making every effort to ensure that the timber they use is legally sourced. If trade measures are to be introduced, a crucial prerequisite is to ensure full participation by other large wood importing nations - notably China. And this participation cannot be just in terms of "political commitment" but must also be in actual practice.

But in the end, it is unrealistic to propose a worldwide system for the independent monitoring and policing of wood trade flows. And ever more complex bureaucracies have a habit of generating corruption, rather than solving it. The main solutions will be found on the ground in countries where illegal logging occurs. There is a huge job to be done, not only by the timber sector, in establishing independent judicial frameworks in these countries, and in building reliable regulatory frameworks through participatory processes. Messing around with new controls on "EU timber imports" is to treat an effect, not an underlying cause.

Rupert Oliver
Editor

Given the crucial significance of the on-going international debate on illegal logging, and in the interests of balance, Sam Lawson of the Environmental Investigation Agency (EIA) was invited to comment on our editorial in advance. This is what he said.

On the need for legislation making handling of illegal timber an offence in the EU:

Many organisations including EIA and Telapak and a growing number of Governments have identified the need for new, tough measures in both producing and consuming countries to combat what has been acknowledged as a major crime. Laws are being broken, corruption is rife, dictators are enriched and consumers are duped. It seems that it is taking a lot longer for the timber industry to realise the inevitable; after years of voluntary agreements and suitable statements, illegally sourced wood continues to be imported by consuming countries. There is only one option left and that is to bring in legislation.

We are very familiar with your criticisms of the concept of new legislation, and have heard them expressed before by timber trade representatives. As usual, they fall into two broad fields, namely 'it won't work' and 'it's the producer countries' problem'. While many of the concerns are reasonable, we believe some of these criticisms misunderstand the problem and the solution proposed, while none of them represent sufficient reason to abandon the idea of new laws

There is a moral imperative here. Many laws, such as those against child pornography on the internet, are very difficult to enforce and prosecutions are very difficult to make. But no-one would argue that this is a reason to repeal them. And what is the alternative? Voluntary measures to date have largely failed. Right now if a producer country knows a ship full of illegal timber taken from one of its National Parks is about to arrive in a port in Europe and asks that it be stopped, there is currently no specific legislation in place that would allow for the request to be expedited. I defy anyone to claim that this is right.

There is also precedent for the effective implementation of such laws. The Lacey Act in the US, which relates to non-plant wildlife, has been successfully applied and many prosecutions have been made. And the example of ramin (*Gonystylus* spp.) has shown that, where enforcement personnel are given the legal basis, the tools and the resources, and where there is the necessary will, interceptions of illegal timber and timber prod-

ucts and follow-up prosecutions are possible. A number of major seizures of ramin products have occurred in the UK, the USA, and Italy.

On the inadequacy of voluntary measures by the timber industry:

Voluntary measures will not work on their own. It is difficult for consumers in Europe to distinguish legally sourced wood from illegally sourced wood, while many consumers are simply unaware of the issue. Given this they will often be most motivated in their buying choices by price. Since illegally sourced wood will always be cheaper, in a voluntary system there is insufficient economic incentive for timber dealers to clean up their supply chains. What is to stop a clean company's competitor from failing to take these measures and thus taking the market share of the 'good' company by supplying cheaper products. This exact point has been articulated by major timber traders in the UK. New laws would create a level playing field and break down this disincentive.

On tackling EU imports of further processed products, for example from China:

Most of the wood imported into Europe is already in the form of processed or semi-processed products. For this reason we advocate that new laws should apply to all timber and wood products – not just 'primary products' like logs and sawntimber. China has a large value market selling secondary processed wood products to Europe. New laws would mean that China would be forced to sort out the timber imports which are used to produce these products. This aside, we believe it is vital that China also take action to halt imports of illegal timber destined for their domestic market. We are pressing for this and will continue to do so. In fact the Chinese Government have already begun to take real steps on this issue, as well as to make promises. While China has committed to a range of actions under the Bali Declaration on Forest Law Enforcement and Governance and has recently signed a Memorandum of Understanding with Indonesia to work together to halt illegal timber shipments, the Chinese authorities have already seized one

large cargo vessel carrying illegal logs from Indonesia at the request of the Indonesian government. This is more than Europe has so far managed. Anyway the likelihood that other countries or regions might fail to follow suit immediately is no reason for Europe not to act.

On the need for solutions on the ground in countries where illegal logging occurs:

We agree that a large part of the solution does lie with the countries where illegal logging occurs. As well as legislation to manage the trade, we are calling for greater efforts by producing country governments and those countries which provide them with development aid to improve governance and enforcement of the law. It does not help these countries, however, that billions of dollars of revenue are being lost to their cash-strapped governments and are instead artificially discounting the wood products sold on the shelves in the consumer markets of the developed world. Many producing countries have corrupt bureaucracies and the high demand for cheap illegal timber and wood products helps to drive that corruption. We believe the issue has to be addressed from both the producer country and consuming markets.

On EU timber imports being an underlying cause of illegal logging.

Imports of illegally sourced timber are not simply an 'effect' of illegal logging in source countries. As with all illegal trade, including such things as arms, ivory or ozone depleting substances, the existence of an unregulated market drives the supply. This is basic economics. The major incentive to the timber barons to log illegally in source countries is the profit margin to be had. And the most profitable markets for timber or the products made from timber from all the country's suffering from illegal logging are overseas. Meanwhile the fact that illegally sourced timber and wood products can enter these markets freely and are cheaper than legal equivalents provides no incentive to honest businesses. EIA's many years of experience have shown us repeatedly the important role and responsibility consumer countries have in halting illegal trade.

Africa

Species notes

Low consumption

■**Sapele** – Existing stocks in Europe are widely regarded as sufficient to meet demand. European consumption is still slow. Despite a slight fall in the value of the euro on international exchange markets in early July, the rate is still sufficiently high to discourage forward orders. In northwestern Europe, relatively cheap prices on offer for Asian meranti may be further depressing demand for sapele. Nevertheless most African shippers are holding FOB prices steady. It is the rainy season in major producing areas north of the equator and availability is expected to tighten. Some mills have shut to undertake maintenance. Logging constraints and tax increases in key supplier countries are putting pressure on producers to raise log prices. Furthermore, lack of availability of other African redwoods may increase interest in sapele later in the year. European agents suggest that even a slight increase in demand could soon translate into supply shortfalls.

■**Iroko** – iroko lumber continues to be in very short supply due to the political situation in Ivory Coast. Supplies from this source are unlikely to normalise before next year. Demand from Irish importers has been in excess of demand. Prices have continued to rise and, in the absence of suitable alternatives, importers have generally been willing to pay.

■**Framire/emeri/idigbo** – very small volumes have been trickling out of Ivory Coast to fulfill existing orders, but availability is still restricted. There are signs that U.K. importers are strugg-

ling to fill gaps in inventory. Prices remain firm, although there has been some retreat from the peak speculative prices being offered at the height of the crises.

■**Khaya** – the limited volumes of khaya lumber available have been soaked up by the United States market. Underlying consumption of mahogany in the U.S. has declined this year, and the weakening dollar has encouraged manufacturers to push for lower euro prices. But due to the Brazilian government's continuing ban on the mahogany trade, U.S. manufacturers have struggled to find sufficient volume. The strong euro has meant that importers with inventory already on the ground in the U.S. have benefitted from a rise in stock value.

■**Wawa sawn lumber** – underlying consumption in Europe has been steady over recent months and prices are stable. Interest in wawa as a ramin substitute - for less durable applications - has helped to prop up demand this year. However supply has been a problem, partly due to the failure of European importers to plan ahead. Importers didn't buy sufficient stocks at the end of last year to cover demand in early 2003. When importers eventually took steps to refill depleted stocks earlier this year, African mills had difficulty acquiring logs to satisfy demand. Problems in Ivory Coast have also created supply difficulties for Italian importers of wawa/samba and some have been encouraged to switch to okoume lumber from Gabon. South Africa continues to buy steady volumes of wawa lumber. Demand in the Far East has been undermined by SARS-related economic problems.

■**Koto** – demand has been steady this year. Limited availability of Ivory Coast stock has boosted demand from Ghana. Koto is substituting for ramin in more durable applications.

■**Okoume** - Italian importers have been buying more okoume sawn lumber this year from Gabon. This partly reflects difficulties of obtaining samba from Ivory Coast. There has also been rising interest in okoume sawn lumber from China this year. As Gabon has increased restrictions on log exports, interest in joint-venture processing operations has increased - notably amongst Chinese investors.

■**Chenchen** - some Eastern European countries are now buying chenchen as a cheaper alternative to wawa.

■**Sipo/utile** - availability is now very restricted. European agents suggest that if they could acquire stock they could probably secure buyers. However underlying consumption in Europe is generally very restricted, with many users now favouring sapele as a more competitively priced alternative.

■**Niangon** - availability will become restricted following the ban on Liberian trade. This will mainly affect France, the leading importer. French importers may switch to sapele as a substitute. Niangon has also been popular for window frames in Germany, but has been losing out in recent years to plastic.

■**Afzelia/apa** – this species is becoming more popular in Europe for flooring applications.

Asia

Asian logs

Patchy market demand

The Asian log market has been mixed over recent months. It is now the dry season in Sarawak, the major supplier of tropical logs to the international market, and output has been rising.

China is now by far the world's dominant market for tropical logs, importing over 7 million m3 last year. Between January and April this year, China's hardwood log imports were up 27% compared with the same period the previous year. However anecdotal reports indicate slower demand in China in May and June due to SARS related economic problems. This factor, coupled with improved availability has contributed to marginally weaker FOB prices for certain Asian log species, notably meranti.

However a temporary rise in Indian demand has boosted prices for some other species – including kapur, keruing and selangan batu. Keruing prices have also been boosted by log shortages at Malaysian plywood mills.

There have been some signs of improving demand for tropical logs in Japan this year. This reflects increased hardwood plywood production in Japan as overseas plywood suppliers – notably in Indonesia - have struggled to meet new requirements for quality standards. However overall levels of tropical log import into Japan are well down compared with only a few years ago. Imports now hover around 2 million m3 each year, down from levels of over 5 million m3 only 5 years ago.

Japan tropical hardwood log imports and stock levels (000s m3)

	2002	2002	2003
	Year	Jan-Mar	Jan-Mar
Southsea logs			
Total import	1982	374	435
Sabah	126	8	28
Sarawak	1389	286	260
Indonesia	0	0	0
Solomon Islands	55	10	11
PNG	413	69	135
Total demand	1962	461	478
For plywood	1766	415	431
For lumber	196	46	48
Stock	465	359	430

African logs

Total import	111	20	40
Total demand	130	31	40
For plywood	123	29	39
For lumber	7	2	1
Stock	11	19	11

Source: Japan Lumber Journal

African indicative prices

	Apr	May	Jun
Exchange rates			
US\$/£	1.60	1.66	1.67
Euro/£	1.39	1.42	1.45

All prices include agents commission of 5%

Sawn lumber

Cameroon, CAR, Congo (Braz.)

Euro/m3; FOB			
Grade and size: FAS, air dried, width 6"+, length 6'+			
Sapele	500	500	490
Sipo	630	630	615
Bibolo	380	380	380
N'Gollon	535	535	535
Iroko	580	580	620

Cote d'Ivoire

Euro/m3; FOB Abidjan			
Grade: FAS, air dried			
Size: width 6"+ avg 9"-10"; length 6'+ avg 10'-11', thickness 1"-2"			
Iroko	550	560	610
Mahogany	430	430	430
Framire	400	400	380
Samba No.1 C&S	240	240	240
Dimension stock			
Azobe	430/	430/	430/
	490	490	490
Dabema	300/	300/	300/
	360	360	360

Gabon

Euro/m3; FOB			
Grade and size: FAS, width 6"+, length 6'+			
Okoume AD	320	320	320
Okoume KD	365	365	365

Asian Sawm Lumber Indicative Prices

	Apr	May	June
Exchange rates:			
M\$/£	6.09	6.32	6.34
US/£	1.60	1.66	1.67
M\$/US\$	3.80	3.80	3.80

Malaysia

All prices US\$/ton, C&F UK port, including 5% agents commission

West Malaysian Dark Red Meranti

Grade: Select & better GMS; Kiln dried

Size: Width 6"+ avg 7"/8"; Length: 8'+ avg 12'/14'

1"	800	790	790
2"	835	810	810
2.5"	900	890	880
3"	930	920	930

Myanmar Teak

US\$/50 cu ft, FOB Rangoon/Bangkok/Singapore

Grade: Air dried boards

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

1"	3200/ 3400	3200/ 3400	3200/ 3400
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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.

Malaysian sawn lumber Patchy market demand

European forward demand for Malaysian sawn lumber is still slow, although there are occasional reports of an increase in forward orders. This seems to reflect importers efforts to fill gaps in diminished stocks and to secure sufficient arrivals immediately after the end of the European holiday season. Many European importers have been relying heavily on existing landed stocks, which are gradually being reduced. Underlying European consumption of Malaysian sawn lumber is now slowing in the run up to the summer vacation period.

The Japanese market for Malaysian sawn lumber is also sluggish. Existing stocks on the ground in Japan are high and sales prices to end users have been weakening. Manufacturers are now less willing to pay high prices for suitable grades of seraya. There is now evidence of substitution of seraya in interior joinery in favour of agathis, a softwood species found throughout South East Asia.

It is peak logging season in Malaysia. However government controls mean that the overall level of harvest in Malaysia is down this year. Furthermore Malaysian mills face increasing government restrictions on the supply of raw material from Indonesia. Unlike previous years, when weak demand rapidly translated into a big fall in price, Malaysian shippers have severely curtailed production this year. This was both in anticipation of weak demand and relatively

high log costs. As a result, shippers have been less eager to table spontaneous offers. As an illustration of the tight supply situation, some exporters are indicating that some seraya items in popular Dutch sizes cannot be offered for shipment before September/October.

Dull Dutch market

Due to depressed economic conditions, the Dutch market has been dull for a very long time. Meranti consumption in the Netherlands has become even quieter since the middle of June. There is intense competition for orders amongst Dutch importers. Sales prices on the ground in the Netherlands are bouncing along bottom. Transactions are often finalized at break-even, if not below replacement cost. This panicky trading mood was, to some extent, a reaction to the weakening US exchange rate. This has led to a devaluation of existing landed stocks and encouraged desperate efforts to generate extra business. Nevertheless, there have been occasional reports of Dutch importers entering the forward market to rebuild depleted inventory in recent weeks.

The Dutch market favours meranti-bukit, typically in 5"x7" PHND (Pin Hole No Defect), which is widely used for window manufacture. This species is relatively high density, coming from slower growing trees found at higher altitudes. Malaysian restrictions on higher altitude felling have placed limits on availability of meranti-bukit. To overcome this, Malaysian shippers often mix some nemesu with the bukit, a practice now widely accepted by Dutch importers.

Despite slow demand, the CIF Rotterdam price for meranti (both bukit and seraya) in major Dutch sizes has increased slightly in recent months. This is mainly down to rising freight rates. On 1 July, rates for a 40ft container on the Port Kelang to Rotterdam route increased from US\$1950 to US\$2150. This translates into a rise of around US\$8/ton on the CIF price. Meranti-bukit is currently being offered at around US\$930-940/ton (CIF Rotterdam, 3"x5", kiln dried, PHND, inclusive of agents commission).

No rise in UK forward orders

In the U.K., meranti-tembaga prices are now very favourable in relation to African sapele, although this has yet to generate any significant interest in forward orders. As the forward market has been quiet for some time, existing UK stocks of meranti-tembaga are not widely regarded as being high. This has led to some speculation that forward orders may pick up after the summer vacation. At present, underlying consumption is slug-

gish. However traders with meranti stock already on the ground in the U.K. report signs of increased interest from manufacturers in recent weeks.

U.K. buyers focus on meranti-tembaga derived from West Malaysia which although relatively low density is favoured for its consistency in colour and performance. There are some reports of some increased U.K. market interest in matjau seyara – a meranti species from Sabah which is valued for providing uniform colour and density. CNF prices for meranti-tembaga are highly variable, depending partly on how desperate the shipper is to generate cash flow. But while individual shippers may be willing to negotiate on price, most seem to be offering at a similar level to previous months. Although rising availability may have resulted in a marginal fall in FOB prices for meranti-tembaga, this has been compensated by the rise in freight rates implemented from 1 July. There are reports of some increased forward orders for nemesu in Belgium in recent weeks as importers are looking for products to arrive just after the summer vacation.

Decking prices rise

Rising raw material costs, tight log supplies, and increased freight rates have contributed to rising prices for yellow balau and bangkarai decking profiles in recent weeks. European agents are now quoting CIF prices of anywhere between US\$610/m³ to US\$650/m³ (inclusive of commission). This is up from a level of around US\$580-600/m³ in March/April 2003.

Teak

Fall in log availability

Teak board prices have been stable over recent months, with some signs of firming on the back of limited supply. Volumes available at the most recently reported Myanmar log auctions in April were well down on normal levels, in part due to efforts by government authorities to clamp down on harvest levels. Availability on international markets is also restricted by bureaucratic measures in Myanmar. Mills wishing to export are required to pay for government certificates which are charged according to tonnage rather than value. Therefore mills tend to concentrate exports on only the highest value boards. Meanwhile the local market is flooded with lower value material. Myanmar now also require that all sawn lumber is machined prior to export. This measure may have been counter-productive, raising the cost of teak lumber while reducing the available yield to overseas buyers.

Asia

India

India has traditionally been a log market. But there are signs that this may be about to change.

Tariffs are a big issue when exporting wood products to India. Tariffs on sawn lumber imports are currently set at 30%, and on veneer they are set at 56.8%. This contrasts with tariffs on log imports of only 9.5%. This fact, when combined with low labour costs and the large numbers of small sawmills in India cutting wood to size for the local market, has meant that the country has tended to import only logs.

The main focus has been on tropical logs since these are perceived to be more resistant to termites. There has been a particular focus on teak reflecting India's long history of processing the species, first from native forests, then from imported logs as domestic supplies became increasingly restricted. Teak is used as a benchmark to grade and price other woods.

Big changes underway

However, big changes are anticipated in the Indian market. Following the Indian government's decision during the 1990s to ratify membership of the WTO, the country has been committed to progressive liberalization of the economy and removal of trade barriers. In the wood sector, the Indian government is now committed to reducing tariffs to a basic level of 20%, which should make imports of sawn lumber affordable. There are also suggestions that India may allow duty-free imports of lumber and manufactured products if the imported wood is re-exported in the form of an added-value, finished product.

At the same time, there is growing interest in upgrading the Indian furniture sector – which is currently dominated by huge numbers of small manufacturers. Some of the more ambitious Indian manufacturers are even talking about developing an export-oriented industry. In pursuit of this aim, India would be able to draw on a highly skilled

and relatively low cost labour force.

And even in the absence of export development, there are opportunities to be had from the development of domestic sales. The economy is growing rapidly, particularly around Bangalore which has become established as a centre for software development. Wood is increasingly in demand for the development of better quality commercial property in this region. Meanwhile as India's economy has grown, so too has the wealth and aspirations of the nation's middle classes. Today there are around 130 million people living in households with an annual income of over US\$1275 – and the numbers are growing rapidly.

The rising ambitions of the nation's furniture manufacturers may in time feed through into increased demand for better quality products and raw materials. Already there are signs that manufacturers and interior designers are looking at alternatives to teak. There is growing interest in lighter coloured hardwoods, notably beech which is now being sourced in log form from both western and eastern Europe.

India's domestic forests are not well placed to close the rising gap between supply and demand. India has placed major restrictions on log harvesting because its forests have been seriously mismanaged and are becoming rapidly depleted.

Importing sector poorly organised

India's wood importing sector has a long history, but is not particularly well organized and is currently focused heavily on teak. The local distribution system is underdeveloped, making transportation and storage difficult. Many of India's wood customers experience problems in supply, timely delivery, consistent quality and pricing. A major challenge for those seeking to exploit the Indian wood market will be to raise levels of awareness of the potential of non-teak species. This may be a struggle, but for those willing and able to make a long term commitment to supplying the Indian market, the effort may be worth it.

India hardwood log imports 2000-2002

	Value Million US\$			Volume 1000 m3		
	2000	2001	2002	2000	2001	2002
World total	459.4	484.9	374.1	2153.9	2429.6	1645.9
Malaysia	87.6	127.6	134.4	539.7	888.0	732.5
Myanmar	142.9	116.0	88.5	470.7	350.9	282.6
Nigeria	43.6	49.0	33.5	188.1	190.2	134.8
Cote d Ivoire	40.7	37.3	31.2	147.7	121.6	97.3
Ghana	8.2	9.8	6.5	22.7	33.5	18.5
France	2.5	2.1	2.7	28.1	22.5	15.6
Benin	0.2	0.5	4.4	0.5	1.6	15.2
Ecuador	7.4	2.3	3.2	29.1	9.3	14.5
Togo	4.7	7.8	3.8	17.4	25.2	12.9
Costa Rica	0.5	0.9	2.4	2.4	4.3	11.1

North America

U.S. domestic market

Key sectors buoyant

Key sectors for sales of hardwoods in the United States have remained fairly buoyant in recent months, boosted by low interest rates and massive monetary and fiscal stimuli. But questions remain over the long term prospects for the American economy. In the short term, hardwood trading in the United States slowed in early July which is typical during the 4th July holiday period. Hardwood traders seem fairly optimistic that business will pick up again as the summer advances. Meanwhile wet weather has put a brake on logging activity in many areas, which has meant that green lumber prices have been fairly firm. Kiln dried prices, which often weaken at this time year, have remained stable.

Another interest rate cut

On June 25th the Fed, seeking to ward off deflation, cut interest rates by a quarter-point to 1.0%, their lowest level in 45 years. Low interest rates are fueling activity in the residential construction sector. May housing starts were 6.1% up on the previous month. Furthermore building permits, an indicator of future activity, rose 3.7% in May to their highest level since December 2002. Strong house building has fueled good activity in the cabinet manufacturing sector. According to the Kitchen Cabinet Manufacturers Association cabinet sales in during the first four months of this year were up 9.7% compared to the same period during 2002. In this sector, business has tended to shift away from stock cabinets toward semi-custom and custom cabinets. Relatively high prices for cherry is encouraging greater utilization of soft maple, alder and lenga.

Flooring and furniture mixed

Performance in the flooring and furniture sectors has been more mixed. American manufacturers' shipments of solid wood flooring during May 2003 were 8% less than the same month the previous year. This follows a 4% decline during April. However this fall in shipments seems to be due more to lack of supply than to slowing demand. Many manufacturers reduced flooring production at the turn of the year in response to rising raw material costs and falling finished products prices. This led to shortfalls in supply in the spring. Current reports suggest that order files for solid wood flooring are well in excess of production capacity and that finished goods prices have rebounded.

American furniture sales have continued to

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be slow and have shown little sign of improvement. Furniture plants have continued to close this year as a large part of the industry has effectively relocated to lower cost locations in East Asia.

Longer term prospects for domestic American hardwood sales depend heavily on the direction of the national economy. Analysts are very divided on this subject. Many believe that low interest rates combined with perhaps the largest fiscal stimulus in history will boost growth to above trend for several years. In the first half of 2003, America's GDP grew at an annual average rate of about 1.5%. Many economists predict that growth will rebound to 3.5-4% in the second half.

Uncertain future

Others are more cautious. For example, on 24 June *The Economist* noted that the U.S. economy remains shackled with "too much debt, too little saving and an unsustainable current-account deficit." It concludes that "Recessions are normally periods when the excesses of previous booms are purged. The late 1990s boom created some of the worst excesses ever, yet the recession in 2001 was the mildest in history, so many excesses remain. The Fed is wise to guard against the danger of deflation, but this still leaves big concerns about the unbalanced state of the American economy."

U.S. hardwood supply Wet weather hinders supply

Logs throughout many parts of the United States were scarce during spring and into early summer. Just at the time when production was expected to increase, heavy rain arrived throughout much of the country. Some mills also continue to have difficulty building log inventories due to limited cash flow and lack of available loggers. Only in a few areas – for example around the Lake States – are there reports of reasonable log stocks. There are widespread expectations that logging conditions will improve as the summer progresses. And sawmills still have four months to bring in logs before winter conditions are likely to affect business. However, existing shortfalls in green lumber production could create gaps in kiln dried inventories in coming weeks. Overall, the log and green lumber shortages have served to prevent any build up in excess stock, which often occurs at this time of year, and to keep prices for most species stable. Relatively high green lumber prices and intense competition for kiln dried sales have meant that profit margins on kiln drying activity remain very tight.

Export demand Another difficult year

Judging from trade data and anecdotal reports, American hardwood export markets have been sluggish this year despite the relative weakness of the U.S. dollar on international exchange markets. Data to end April this year indicates a significant fall in the volume of U.S. exports of logs, lumber and veneer. Analysis of data for the single month of April suggests this was a particularly poor one for overseas shipments of American hardwoods.

In the first three months of the year, low levels of sawn lumber export to traditional markets in northern Europe and in Japan were offset by reasonable sales in Spain, Italy, China, and South East Asia. However in April there was a sharp drop in sawn lumber shipments to Spain, while exports to China and South East Asia began to weaken. The last trend can be explained relatively easily as it is likely to be a response to the economic fallout from the SARS virus.

Spanish slowdown

The slowdown in exports to Spain is less easy to explain at a time of relative euro strength. Underlying consumption of American hardwoods in Spain seems to have declined this year. Certainly the volume of sawn hardwood purchased by the nation's furniture sector has fallen away as competition for finished products has intensified and manufacturers have made further efforts to cut costs. A slight rise in Spanish imports of American veneer during April may be indicative of this trend. Trade reports suggest that consumption of oak has remained reasonably good in the Spanish interior joinery and door sectors. There has been rising concern in Spain over the quality of American oak supplied to the market. This is often attributed to American sawmills having to rely on lower quality logs in their own efforts to cut costs. Meanwhile competition from European hardwoods has been rising in the Spanish market this year.

Italy more stable

The Italian market for American hardwoods has remained more stable this year, although competition has been as intense as ever. Overall American hardwood lumber exports to this market during the first four months of the year were very similar to the same period the previous year. A decline in American exports of cherry and walnut to Italy may partly reflect limited availability and efforts to cut costs. Good exports of white oak to the Italian market this year seem to confirm the strong fashion for this species

U.S. hardwood exports January to April 2002 and 2003

Logs/lumber - 000s m3, veneer - mill m2			
	2002	2003	% chng
World			
Logs	846.9	788.8	-6.9
Lumber	971.6	951.5	-2.1
Veneer	106.3	99.4	-6.5
Canada			
Logs	567.5	527.5	-7.1
Lumber	340.6	360.1	5.7
Veneer	34.0	33.3	-2.2
E.U.			
Logs	99.5	93.1	-6.4
Italy	37.4	34.6	-7.3
Germany	28.4	27.1	-4.6
Lumber	256.3	222.0	-13.4
Spain	69.1	57.9	-16.2
Italy	59.4	59.9	0.9
U.K.	35.2	29.9	-15.1
Germany	12.9	12.7	-1.5
Veneer	38.1	37.4	-1.8
Germany	15.5	15.3	-1.0
Spain	9.5	8.6	-6.6
Italy	4.2	4.7	11.5
S.E. Asia			
Logs	20.4	22.9	12.3
Lumber	39.8	41.6	4.5
Veneer	3.9	2.3	-41.0
Greater China			
Logs	77.0	74.1	-3.7
Lumber	178.6	187.7	5.1
Veneer	16.6	14.7	-11.4
Japan			
Logs	49.3	38.8	-21.4
Lumber	40.7	32.9	-19.2
Veneer	1.0	0.3	-69.5
South Korea			
Logs	18.9	14.9	-21.5
Lumber	13.5	12.0	-10.7
Veneer	3.2	2.6	-19.4
Mexico			
Logs	2.3	4.5	97.0
Lumber	52.2	57.2	9.6
Veneer	3.9	2.7	-30.4
North Africa and Middle East			
Logs	1.0	0.9	-11.3
Lumber	17.8	11.8	-34.7
Veneer	1.9	1.3	-31.0

in the European furniture sector. Exports of tulipwood to Italy have been fairly steady this year.

Northern European markets for American hardwood have been very sluggish this year. The United Kingdom imported less than 30,000 m3 of American hardwood lumber during the first four months of 2003. U.S. exports to this market during April were particularly weak – only around 7,000 m3. U.S. exports to the U.K. look set to fall below 100,000 m3 during 2003 for only the second time in the last 15 years (1994 is the only other year when this occurred). Economic

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uncertainty has dampened consumption of hardwoods in the U.K. at a time when competition from Eastern European hardwoods has been rising.

German uncertainty

Economic uncertainty has also been a major feature of the German market this year. Underlying hardwood consumption has remained slow. However, US export data indicates that there was a rise in shipments to this market during April, notably of logs. Although volumes going to this market remain at historically low levels, the April data suggests that the weak dollar has helped to boost American hardwood sales.

More recent anecdotal reports from Europe indicate that demand for American hardwood lumber was patchy throughout May and June. The dollar regained a little ground during June, touching US\$1.14:€1 by the end of the month, owing partly to technical factors and partly to better economic news in

the United States. There are reports that some European importers were encouraged to order stock during June in response to relatively low inventory levels and news of continued tight supplies in the United States. But looking ahead, the summer vacation period is now looming in Europe, so a significant pick-up in demand cannot be expected until the second half of August at the earliest.

On the positive side for American exporters, most economic analysts believe the dollar will remain weak against the euro. For example, *The Economist* predicts the dollar will slip back in the months ahead to average US\$1.20:€1 in the second half of 2003. This will help American prices to remain competitive. Furthermore, most reports suggest American hardwood inventories are still not high throughout much of Europe.

On the negative side, the western European furniture sector has shrunk, while American hardwoods now face stiffer competition

from European hardwoods. It seems unlikely that consumption of American hardwood in this sector will ever return to former levels. Best opportunities for American hardwoods in Europe are likely to lie in the joinery sector, particularly at the higher end of the market.

China still slow

Anecdotal reports suggest that American hardwood exports to China continued slow in June as the impact of the SARS epidemic continued to be felt. However the World Health Organization has now lifted the SARS warning for Beijing and Guangdong province, which should begin to boost trade. American hardwood products doing well in China this year include red alder lumber, tulipwood logs and lumber, maple logs and lumber, ash lumber, walnut logs and other hardwood logs and lumber. Chinese imports of American red and white oak have remained static.

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Species notes

■**ASH:** Domestic demand for common grades has been steady. Domestic demand for higher grades has been more variable. Export volumes have been better than last year, with Chinese buyers showing more interest. Prices are generally stable.

■**BIRCH:** Domestic demand for yellow birch is good, particularly when selected for colour. Supplies are limited and prices are firm. U.S. exports are almost entirely destined for Canada.

■**CHERRY:** Domestic demand for cherry green lumber is good from favored areas of Pennsylvania and New York states, but less good from other areas. Domestic demand for kiln dried lumber is steady. Export demand has slowed as manufacturers have turned to cheaper species.

■**HARD MAPLE:** domestic market conditions are very variable depending on grade, colour and location. Log and green lumber trading activity has declined over recent weeks due to the high risk of stain. At this time of year when stain is an important factor, demand hinges on the reputation of the supplier. Overall prices seem to be fairly stable for most specifications, even firm for some items, for example colour selected 4/4 green lumber. Exports of hard maple have been quite slow. Efforts by manufacturers to cut costs both in North America and overseas have led to some substitution of hard maple for cheaper species.

■**SOFT MAPLE:** domestic demand remains firm, particularly for colour selected lumber. Supply is relatively well balanced with demand and prices are stable. Although there has been some increased interest in soft maple in the Far East and Middle East, exports are still restricted.

■**RED OAK:** domestic demand slowed temporarily over the 4th July vacation period. However underlying demand for both green and kiln dried lumber is steady and prices are firm. Production is now well down on previous years. Cash flow problems led many mills to close in 2001/2002 and logging levels have been down this year. Overall production now seems fairly well balanced with demand, although suppliers in some areas suggest order books are full for certain grades. Export sales to Mexico and Canada have been good this year, but have remained static to China. Only tiny volumes of red oak are now being exported to Europe.

■**WHITE OAK:** production of both green and kiln dried lumber is reasonably well balanced with demand. Prices are holding steady. There is good domestic demand for lower grades of green lumber for crossties, strip and truck flooring.

Although the US furniture industry has shown more interest in this species than in previous years, sales of higher grades of kiln dried lumber are still heavily dependent on export markets. Despite the relatively weak dollar, export sales to

Europe were very sluggish during the first four months of the year. This reflects slow activity in the European furniture sector and pressure from Eastern European oak. However, there were indications of improving European sales in May and June as importers took steps to cover for anticipated demand after the summer vacation.

■**TULIPWOOD:** Demand and supply are well balanced and prices are stable. Turnaround times for this species from log through to lumber are relatively short. This knowledge has encouraged many traders to maintain only low stocks.

Although domestic consumption remains reasonably steady there are reports in some sectors that the species is being substituted by wood panels and cheap imported species. This is partly compensated by reasonable demand in export markets. Italy has been buying steady volumes of FAS sawn lumber this year, although with little willingness to pay good prices. China was buying good volumes of tulipwood logs and common grades of lumber during the first four months of the year, but demand slowed in May-June due to SARS-related problems.

■**WALNUT:** domestic demand for walnut lumber remains good and prices are still firm. Export demand is widely reported to be good, although there are some reports of a slowdown in demand for higher grades of 8/4 lumber and for veneer logs during May and June.

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US sawn lumber indicative prices

North Appalachian US\$ MBF* CIF- W. Europe
Grade: FAS/IF, KD square edged
Net measure after kilning
NOTE US prices are highly variable depending on quality and point of origin. These prices are shown only to highlight trends over time.
*One cubic meter is equivalent to 423.8 BF or 0.4238 MBF

	Apr	May	Jun
\$/£	1.60	1.66	1.67
\$/Euro	1.15	1.17	1.15
Red oak			
1"	1920	1910	1910
1.25"	2090	2050	2050
1.5"	2190	2190	2190
2"	2500	2470	2470
White oak			
1"	1560	1475	1475
1.25"	1770	1700	1700
1.5"	2140	2150	2150
2"	2775	2800	2800
Ash			
1"	1200	1150	1150
2"	1580	1550	1550
Tulipwood			
1"	1070	1040	1040
1.25"	1150	1125	1125
1.5"	1175	1150	1150
2"	1225	1180	1180
Cherry			
1"	3475	3650	3650
1.25"	3625	3750	3750
1.5"	3825	3925	3925
2"	4075	4100	4100
Hard Maple			
1"	2300	2350	2350
1.25"	2400	2450	2450
1.5"	2550	2500	2500
2"	2650	2600	2600

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Exports of just about all American hardwood products to Hong Kong – with the exception of alder - were declining this year even before the onset of the SARS panic. Hong Kong is losing ground as a trading centre as business is transferred to cheaper locations on the mainland. It remains to be seen how far this trend will continue in the months ahead.

South Korea has been a much less buoyant market for American hardwoods this year than last. However there were occasional reports during June of a slight pick up in demand for ash, white oak and poplar. The Japanese market has been very poor this year.

Mexican market stable

The Mexican market has been reasonably stable this year, although Mexican manufacturers have faced very stiff competition from the Far East. The Maquiladora Zone has been absorbing steady volumes of lumber, particularly common grades of red oak, white oak and tulipwood. American log exports to Mexico increased sharply during the first 4 months of this year, although volumes are still not high.

Europe

Public perception Confirmation of European's poor image of forest sector

The European public have a poor image of the forest sector. There is also great public ignorance of the environmental role of the forest sector, of its modernity and importance for employment. Perceptions of job attractiveness in the sector are very low. These are the results of a study commissioned by the Enterprise DG of the European Commission. The study involved qualitative research on how the forest-based industries are perceived by the general public of the 15 Member States of the European Union. It addressed adults on the one hand and young people (16 to 18 years) on the other. The study involved in-depth discussions amongst a small number of individuals (in the event, two group discussions each involving about eight people in each Member State).

No appreciation of progress

On the environment, the results show that the regulatory measures taken by European governments and the efforts of the sector to adapt to environmental concerns are not understood. The realities of sound, sustainable forest management are often seriously doubted by Europeans, who are still great believers in the myth of the original, natural forest. Forests are an emotive issue for many European citizens who tend to see them as the idealised incarnation of a 'virgin' and 'pure' nature, threatened by human activities and especially by economic and industrial activities.

Forestry in particular is not seen as an economic activity — with the notable exception of Finland and Sweden. Understanding of the notion that forests are something that needs to be managed is patchy. When people do understand this notion, they tend to interpret it largely in terms of regulatory and supervisory action by public and local authorities (which many people felt, at the same time, to be the main, or even the only, owners of forests).

Suspicious of private sector

People are often suspicious about the resolve of private forest owners and forest workers to promote sustainable development and respect the 'common ownership' of the forest heritage. These suspicions are particularly marked for European and other enterprises working with tropical wood. Sweden and Austria are practically the only countries where there is general agreement that foresters abide by the rules of sound

management (at least as regards their national forests); even in Finland this is called into question.

Efforts by the industry to increase recycling are more familiar, but the level of recycling achieved is sometimes underestimated.

Paper and panels seen as most destructive

Views on the environmental impact of forest-based industries vary by sector. There are few criticisms of the environmental impact of the furniture sector. The environmental impact of the sawmilling industry is seen as moderate (although their indirect responsibility for the perceived destruction of forests is criticised here and there). The environmental impact of the paper, pulp and board manufacturing industry is in most cases felt to be negative or very negative: there is a strongly rooted notion in Europe that this industry is helping to destroy forests through its enormous consumption of wood and also due to the water or air pollution that it is thought to cause. This idea was particularly entrenched in several northern European countries.

On modernity, Europeans tend to think that forest-based industries have, like other sectors, adopted more efficient production methods and equipment. But the idea of high technology is rarely present. Only the sectors that widely use information and communication technologies in their core activity (printing) or those where the design element plays an important role (furniture and, to a lesser extent, packaging) are regarded as modern and innovative.

E.U. Import Statistics Complex market

Value of import data between 2000 and 2002 for the all the countries of the E.U. is published on the following pages. The data highlights that the E.U. should never be viewed as a single "hardwood market". It is an amalgam of a diverse range of markets. There are countries with a strong tradition of hardwood processing and links with old colonial territories - such as France and Portugal - which are still heavily dependent on tropical logs. Other countries - like the U.K. and Ireland - have little hardwood processing capacity and are dependent on imports of processed and, increasingly, of finished products. Yet more countries - Netherlands and Belgium - have limited domestic markets, but have carved out a niche as trading hubs for the rest of the E.U.

Looking at the tables as a whole, there



EU Nations - Value of Imports - 2000 to 2002

All figures million euros

	Austria				Germany				Denmark						
	2000	2001	2002	%-chg	2000	2001	2002	%-chg	2000	2001	2002	%-chg			
Tropical logs	GERMANY	0.3	0.8	0.3	-68.7	CAMEROON	23.3	21.2	18.0	-15.2	GERMANY	1.6	2.0	1.7	-15.3
	ITALY	0.1	0.1	0.2	47.7	CONGO REPUBLIC	10.6	8.5	5.7	-32.1	BURMA	0.9	1.4	0.9	-37.8
	LAOS	0.0	0.0	0.0	na	GABON	6.7	8.2	6.4	-21.0	NETHERLANDS	0.3	0.8	3.8	-1.1
	DENMARK	0.0	0.0	0.0	-100.0	BURMA	3.1	3.2	3.4	5.5	MALAYSIA	0.4	0.1	0.0	-78.4
	...	0.0	0.0	0.0	na	EQUAT. GUINEA	2.6	3.9	3.0	-21.2	CANADA	0.2	0.0	0.0	-100.0
	...	0.0	0.0	0.0	na	LIBERIA	2.1	5.4	3.6	-33.3	BELGIUM	0.2	0.3	0.1	-77.4
	...	0.0	0.0	0.0	na	CONGO DEM. REP.	1.8	0.7	1.0	30.9	U.S.A.	0.1	0.1	0.1	13.2
	OTHER	0.0	0.2	0.2	13.1	OTHER	5.2	3.0	1.8	-41.9	OTHER	0.2	0.2	0.2	-11.7
	TOTAL	0.4	1.1	0.6	-44.8	TOTAL	55.3	54.1	42.9	-20.6	TOTAL	4.5	4.9	3.7	-23.8
Beech logs	SLOVAKIA	16.3	16.9	15.2	-9.9	FRANCE	17.6	3.7	3.3	-9.0	GERMANY	13.6	8.6	6.6	-23.3
	CZECH REPUBLIC	5.8	5.2	5.0	-3.5	DENMARK	2.4	0.7	0.6	-5.8	POLAND	1.1	0.8	0.0	-98.4
	GERMANY	5.4	5.5	4.0	-25.9	SWITZERLAND	2.3	1.4	0.5	-65.7	SWEDEN	0.5	0.3	0.1	-79.9
	HUNGARY	4.0	3.8	4.7	2.7	BELGIUM	6.4	4.8	2.9	-39.6	FRANCE	0.1	0.0	0.0	na
	OTHER	7.7	5.2	6.3	19.6	OTHER	6.4	4.8	2.9	-39.6	OTHER	0.1	0.1	0.2	24.3
	TOTAL	39.0	36.6	34.3	-6.4	TOTAL	30.5	11.1	7.6	-31.7	TOTAL	15.5	9.8	6.9	-29.9
Oak logs	HUNGARY	3.4	4.2	5.8	37.6	U.S.A.	3.0	3.3	3.4	1.5	GERMANY	1.2	2.4	1.3	-44.3
	SLOVAKIA	0.9	1.2	1.0	-16.4	HUNGARY	2.2	2.1	0.4	-82.0	SWEDEN	0.3	0.2	0.0	-85.1
	ROMANIA	0.8	0.3	0.1	-58.1	FRANCE	2.0	2.1	1.3	-38.8	U.S.A.	0.3	0.2	0.1	-70.8
	CZECH REPUBLIC	0.5	0.6	0.3	-59.5	AUSTRIA	0.5	0.7	0.9	26.3	LITHUANIA	0.2	0.2	0.0	-100.0
	OTHER	0.8	1.4	2.0	38.5	OTHER	1.9	2.5	2.9	19.2	OTHER	0.3	0.5	0.3	-50.9
	TOTAL	6.4	7.8	9.2	17.8	TOTAL	9.7	10.8	8.9	-17.0	TOTAL	2.2	3.6	1.7	-52.7
Other hardwood logs	HUNGARY	6.3	6.0	5.4	-9.8	U.S.A.	48.3	45.3	40.7	-10.2	GERMANY	1.9	2.3	0.9	-62.4
	ROMANIA	4.6	2.2	0.6	-75.4	FRANCE	7.4	3.5	3.6	1.6	U.S.A.	1.4	0.4	0.5	-17.6
	GERMANY	3.2	1.9	5.2	176.2	CANADA	3.0	3.6	1.1	-68.2	UKRAINE	0.3	0.7	0.1	-84.3
	SLOVAKIA	1.9	2.6	2.3	-9.7	FINLAND	2.7	2.4	2.4	1.2	LITHUANIA	0.1	0.2	0.1	-68.8
	OTHER	9.2	9.4	9.6	2.5	OTHER	10.3	11.9	9.8	-17.8	OTHER	0.5	1.1	2.6	137.1
	TOTAL	25.2	22.1	23.1	4.6	TOTAL	71.8	66.6	57.5	-13.6	TOTAL	4.2	4.7	4.1	-12.9
Tropical sawn lumber	GERMANY	2.6	2.9	3.2	10.0	MALAYSIA	25.9	13.9	17.7	27.3	MALAYSIA	7.1	9.1	8.4	-7.9
	ITALY	1.3	0.9	0.7	-21.6	GHANA	22.0	20.7	16.0	-22.3	GERMANY	5.5	6.2	6.2	-0.9
	INDONESIA	0.3	0.2	0.0	-92.0	NETHERLANDS	15.0	9.7	12.6	29.9	BURMA	4.2	6.5	5.4	-17.5
	MALAYSIA	0.2	0.0	0.1	62.2	BELGIUM	7.1	5.7	4.9	-13.8	U.S.A.	3.4	6.2	7.3	17.4
	SINGAPORE	0.1	0.0	0.0	-70.6	CAMEROON	6.2	8.9	7.6	-14.2	BRAZIL	2.6	3.8	1.9	-50.0
	NIGERIA	0.1	0.1	0.0	-79.7	INDONESIA	4.9	3.2	4.7	47.5	SINGAPORE	2.1	1.9	1.4	-26.3
	DENMARK	0.0	0.2	0.2	26.9	BRAZIL	2.1	2.7	1.8	-31.5	NETHERLANDS	2.2	2.5	1.2	-52.9
	BURKINA	0.0	0.0	0.0	na	SINGAPORE	1.7	0.5	1.0	80.1	FINLAND	1.8	2.2	0.3	-88.4
	NETHERLANDS	0.0	0.1	0.1	69.2	BURMA	1.4	1.7	1.2	-32.9	GHANA	1.5	1.2	0.9	-25.8
	BELGIUM	0.0	0.0	0.0	280.0	DENMARK	1.3	1.6	2.2	41.4	BELGIUM	1.1	0.8	0.6	-32.4
	OTHER	0.1	0.5	0.2	-55.4	OTHER	8.1	8.8	10.6	20.4	OTHER	4.0	5.6	4.9	-12.6
	TOTAL	4.8	4.9	4.6	-6.1	TOTAL	95.8	77.3	80.3	3.9	TOTAL	35.6	46.1	38.3	-16.9
Beech sawn lumber	BOSN. & HERZ.	12.9	12.1	9.7	-19.4	ROMANIA	9.0	3.1	2.1	-33.9	GERMANY	3.8	2.2	1.3	-43.5
	HUNGARY	4.2	2.6	2.4	-9.7	POLAND	6.8	4.4	3.7	-17.7	POLAND	2.5	2.0	1.6	-21.6
	GERMANY	4.2	4.0	3.7	-6.6	ITALY	5.9	2.8	0.7	-73.1	SLOVAKIA	1.1	2.8	2.3	-18.5
	CROATIA	3.5	1.5	1.9	27.4	AUSTRIA	5.7	3.7	2.2	-40.4	UKRAINE	0.5	0.6	0.6	4.2
	SLOVAKIA	2.1	1.5	1.6	7.0	SLOVAKIA	4.6	3.4	3.1	-8.2	CZECH REPUBLIC	0.4	0.3	0.5	45.3
	OTHER	7.0	4.4	4.5	1.7	OTHER	25.7	17.6	17.2	-2.1	OTHER	1.3	1.9	1.8	-6.8
	TOTAL	33.8	26.0	23.7	-8.7	TOTAL	57.6	35.0	29.0	-17.1	TOTAL	9.6	9.8	7.9	-19.2
Oak sawn lumber	CROATIA	4.3	3.7	3.5	-6.4	U.S.A.	13.4	12.4	9.6	-22.3	U.S.A.	9.4	8.4	7.0	-16.3
	HUNGARY	2.7	3.6	5.0	38.9	UKRAINE	6.6	7.9	8.7	9.8	GERMANY	1.7	2.8	2.5	-9.5
	GERMANY	1.4	1.8	1.5	-17.2	FRANCE	4.9	3.1	3.1	1.3	LATVIA	0.7	0.8	0.5	-45.3
	FRANCE	1.3	1.1	0.8	-25.7	CANADA	3.0	2.6	2.8	10.1	CANADA	0.7	1.3	1.2	-6.1
	SLOVAKIA	0.9	0.6	0.7	11.6	CZECH REPUBLIC	2.8	1.7	1.8	6.8	AUSTRALIA	0.6	0.3	0.4	20.7
	OTHER	3.6	4.9	6.3	28.9	OTHER	14.0	11.7	12.9	10.3	OTHER	2.4	3.5	5.9	70.5
	TOTAL	14.2	15.7	17.7	13.0	TOTAL	44.7	39.3	38.9	-9.9	TOTAL	15.4	17.0	17.5	2.4
Other hardwood sawn lumber	GERMANY	6.7	10.6	9.0	-14.8	CANADA	32.9	34.1	25.4	-25.3	U.S.A.	9.8	9.2	6.6	-28.6
	CANADA	5.3	3.6	1.4	-59.8	U.S.A.	25.9	20.1	15.4	-23.1	SWEDEN	4.2	4.1	4.3	4.3
	CROATIA	4.7	4.3	3.6	-16.7	LITHUANIA	11.4	14.2	16.9	18.8	GERMANY	3.0	3.1	2.3	-27.3
	HUNGARY	3.8	4.3	5.0	16.5	LATVIA	6.8	7.0	6.9	-2.3	CANADA	2.7	2.2	1.9	-14.7
	SLOVENIA	3.7	3.0	2.6	-12.9	RUSSIA	5.4	3.3	2.9	-10.7	LATVIA	2.5	1.0	0.7	-28.7
	OTHER	18.2	17.5	20.6	18.0	OTHER	29.4	26.6	25.0	-5.8	OTHER	5.4	6.0	7.9	31.3
	TOTAL	42.4	43.3	42.3	-2.2	TOTAL	111.9	105.2	92.5	-12.0	TOTAL	27.6	25.6	23.6	-7.8
Tropical hardwood veneer	GERMANY	0.7	0.7	1.0	43.6	IVORY COAST	10.5	11.9	7.9	-33.5	THAILAND	4.5	4.1	4.1	0.6
	BELGIUM	0.4	0.5	0.3	-43.1	GHANA	6.2	5.3	5.7	7.5	GERMANY	3.0	4.6	3.6	-21.2
	ITALY	0.3	0.3	1.0	201.9	ITALY	5.7	3.5	7.8	125.4	CAMEROON	0.6	0.4	0.2	-58.0
	INDONESIA	0.3	0.1	0.0	-100.0	BRAZIL	2.2	1.4	0.9	-37.6	BRAZIL	0.5	0.2	0.1	-44.0
	OTHER	0.2	0.2	0.4	132.0	OTHER	11.7	10.1	13.4	32.4	OTHER	2.2	2.9	3.3	12.7
	TOTAL	1.9	1.8	2.7	46.9	TOTAL	36.3	32.2	35.8	10.9	TOTAL	10.7	12.2	11.3	-7.1
Other hardwood veneer	GERMANY	20.5	35.2	31.1	-11.6	U.S.A.	104.6	83.0	61.9	-25.4	GERMANY	19.2	19.4	12.0	-38.3
	SLOVENIA	7.2	12.6	14.5	14.9	FRANCE	21.8	17.9	10.2	-42.7	U.S.A.	5.2	4.0	1.6	-60.4
	FRANCE	4.0	4.5	2.7	-40.1	SWITZERLAND	18.8	13.9	10.6	-23.3	FRANCE	3.7	4.4	1.6	-63.1
	CROATIA	3.7	3.4	2.3	-31.2	ITALY	11.1	9.1	12.7	40.0	CANADA	2.2	1.6	1.2	-27.6
	OTHER	9.1	11.6	13.3	15.1	OTHER	76.3	78.6	80.6	2.6	OTHER	9.0	10.5	9.9	-5.7
	TOTAL	44.6	67.3	64.0	-4.9	TOTAL	232.5	202.4	176.1	-13.0	TOTAL	39.3	39.9	26.2	-34.3
Tropical hardwood plywood	GERMANY	7.3	6.4	4.6	-28.4	INDONESIA	62.7	48.3	34.4	-28.8	INDONESIA	9.7	6.8	5.4	-20.7
	FINLAND	0.8	0.0	0.0	na	ITALY	13.8	14.3	10.2	-28.2	MALAYSIA	2.1	4.3	3.3	-23.7
	ITALY	0.4	0.2	0.3	60.0	BRAZIL	7.9	11.9	8.8	-26.0	GERMANY	2.1	1.2	2.0	26.6
	INDONESIA	0.1	0.4	0.0	-100.0	SPAIN	6.5	7.7	7.8	0.8	BRAZIL	1.4	1.0	1.6	54.3
	OTHER	0.3	0.7	1.5	103.9										

EU Nations - Value of Imports - 2000 to 2002

Spain					Portugal					Italy					Greece				
	2000	2001	2002	%-chg		2000	2001	2002	%-chg		2000	2001	2002	%-chg		2000	2001	2002	%-chg
CAMEROON	12.0	12.6	7.6	-4.3	GABON	31.3	32.5	22.1	-32.2	CAMEROON	45.6	29.7	27.5	-7.6	GABON	11.1	14.3	10.8	-24.7
CENT. AFR. REP.	9.7	6.8	6.8	-29.3	CAMEROON	25.7	13.9	15.8	-13.8	LIBERIA	18.2	18.1	14.2	-22.8	LIBERIA	5.0	5.4	7.4	36.6
EQUAT. GUINEA	5.3	6.2	3.5	-42.4	CONGO REPUBLIC	18.5	19.0	23.1	28.7	GABON	14.7	17.5	14.1	-19.5	CAMEROON	4.3	1.4	2.3	62.1
GABON	5.0	6.0	6.1	1.5	CONGO DEM. REP.	10.5	9.0	5.8	-34.8	CONGO REPUBLIC	11.6	14.5	16.8	16.2	LEBANON	0.9	0.2	0.0	-100.0
CONGO REPUBLIC	3.4	4.7	6.6	41.3	CENT. AFR. REP.	5.1	5.2	3.1	-41.5	BURMA	5.3	5.0	3.5	-30.2	CONGO REPUBLIC	0.5	1.4	1.0	-31.4
LIBERIA	3.1	4.2	4.3	0.7	LIBERIA	3.4	1.6	0.4	-75.3	NIGERIA	2.1	0.7	0.2	-76.1	BULGARIA	0.1	0.0	0.0	na
FRANCE	2.7	3.4	2.8	-16.9	EQUAT. GUINEA	2.7	1.4	2.4	77.5	IVORY COAST	2.0	0.6	0.1	-84.1	GERMANY	0.0	0.0	0.0	-57.1
OTHER	4.8	4.7	3.8	-20.3	OTHER	4.0	4.2	2.4	-41.7	OTHER	7.7	12.2	13.2	8.3	OTHER	0.0	1.1	0.0	-97.3
TOTAL	46.0	49.8	41.6	-16.5	TOTAL	101.3	85.7	75.1	-12.3	TOTAL	105.2	99.0	89.4	-9.7	TOTAL	21.9	23.8	21.4	-10.0
FRANCE	15.7	8.1	6.7	-18.0	FRANCE	2.2	1.6	2.1	31.1	SWITZERLAND	22.9	14.5	10.8	-25.7	ROMANIA	0.3	0.1	0.0	-100.0
GERMANY	2.2	2.4	3.1	31.3	ITALY	0.4	0.1	0.0	-100.0	FRANCE	19.5	7.5	5.7	-24.1	GEORGIA	0.1	0.2	0.0	-100.0
BELGIUM	1.4	1.5	1.5	-0.3	SPAIN	0.1	0.1	0.2	113.6	AUSTRIA	13.5	11.2	11.1	-1.0	BULGARIA	0.0	0.0	0.0	-100.0
UKRAINE	0.9	0.9	0.7	-22.0	UK	0.1	0.0	0.0	na	GERMANY	6.3	4.9	4.9	-1.5	SERB. & MONT.	0.0	0.0	0.0	na
OTHER	2.3	1.2	1.5	29.1	OTHER	0.1	0.3	0.3	12.1	OTHER	10.0	9.8	9.0	-0.7	OTHER	0.0	0.6	0.5	-20.6
TOTAL	22.4	14.0	13.4	-4.1	TOTAL	2.9	2.1	2.7	28.5	TOTAL	72.3	47.9	42.1	-12.1	TOTAL	0.5	0.9	0.5	-44.4
FRANCE	13.9	12.6	10.2	-18.6	FRANCE	2.7	2.6	2.2	-16.1	HUNGARY	3.9	3.2	1.4	-54.1	GERMANY	0.3	0.1	0.1	1.1
GERMANY	5.0	5.1	4.6	-10.5	SPAIN	0.7	0.7	0.9	21.4	FRANCE	3.0	2.6	2.8	4.5	ROMANIA	0.3	0.1	0.0	-100.0
U.S.A.	3.1	3.3	2.4	-27.2	ROMANIA	0.5	0.0	0.0	-100.0	CROATIA	1.3	3.3	3.6	10.5	ITALY	0.0	0.0	0.0	63.2
UKRAINE	2.2	2.8	2.5	-13.1	U.S.A.	0.4	0.5	1.4	155.9	AUSTRIA	1.1	0.8	0.8	8.2	UKRAINE	0.0	0.0	0.0	na
OTHER	0.7	1.3	1.9	44.0	OTHER	0.1	0.2	0.4	122.7	OTHER	1.8	1.7	2.5	44.5	OTHER	0.0	0.1	0.1	105.9
TOTAL	24.9	25.2	21.6	-14.2	TOTAL	4.2	4.1	4.8	19.3	TOTAL	11.1	11.6	11.2	-3.5	TOTAL	0.7	0.3	0.2	-14.0
U.S.A.	12.3	10.6	8.8	-17.4	FRANCE	8.6	6.7	3.9	-41.9	FRANCE	43.0	38.7	30.5	-21.1	RUSSIA	1.6	0.5	0.0	-100.0
FRANCE	10.1	9.8	5.8	-40.9	U.S.A.	8.4	7.8	6.8	-14.4	U.S.A.	39.0	36.7	26.3	-28.3	BULGARIA	0.4	0.3	0.1	-56.8
POLAND	1.9	1.0	0.0	-100.0	SPAIN	5.7	5.1	4.8	-5.5	HUNGARY	20.8	20.6	18.2	-12.0	ROMANIA	0.2	0.0	0.0	400.0
U.K.	0.5	0.5	0.1	-82.1	CANADA	1.7	0.5	0.3	-35.3	CROATIA	16.5	19.7	18.7	-5.4	AZERBAIJAN	0.2	0.0	0.0	-100.0
OTHER	2.2	4.0	2.1	-47.6	OTHER	2.0	0.8	1.3	57.1	OTHER	52.6	38.9	33.1	-14.9	OTHER	0.4	0.6	0.9	53.6
TOTAL	26.9	26.0	16.8	-35.4	TOTAL	26.4	20.8	16.9	-18.7	TOTAL	172.0	154.7	126.8	-18.0	TOTAL	2.8	1.4	1.0	-28.9
CAMEROON	68.6	76.1	61.1	-19.8	BRAZIL	25.2	26.6	24.2	-8.9	CAMEROON	63.5	68.3	56.4	-17.4	IVORY COAST	7.2	8.8	25.1	186.8
IVORY COAST	53.5	60.5	46.1	-23.8	CAMEROON	13.9	7.8	8.2	5.5	IVORY COAST	60.5	61.2	56.0	-8.4	CAMEROON	3.5	4.5	2.6	-43.1
BRAZIL	35.1	43.3	40.3	-7.0	IVORY COAST	3.7	1.9	3.5	82.8	INDONESIA	20.0	7.8	3.9	-50.1	INDONESIA	0.6	0.5	0.6	7.2
CENT. AFR. REP.	7.3	6.7	6.4	-4.3	CONGO REPUBLIC	3.3	1.5	4.0	162.6	MALAYSIA	19.6	17.0	22.0	29.5	NIGERIA	0.4	0.1	0.0	-91.9
CONGO REPUBLIC	5.9	7.5	12.7	69.8	GABON	1.6	1.8	2.2	19.3	NIGERIA	17.8	9.7	5.3	-44.9	BURMA	0.2	0.0	0.0	na
GHANA	2.6	2.7	1.5	-43.1	SPAIN	1.5	0.8	0.7	-14.9	GHANA	12.7	14.4	12.4	-13.6	MALAYSIA	0.2	0.2	0.5	201.1
FRANCE	1.8	2.2	2.1	-6.1	NIGERIA	1.5	0.2	0.0	-94.5	BRAZIL	9.1	9.4	8.7	-7.8	GHANA	0.2	0.3	0.3	13.4
PORTUGAL	1.8	1.6	4.4	175.2	CENT. AFR. REP.	1.2	0.0	0.0	na	GABON	5.9	9.1	12.6	37.9	SINGAPORE	0.2	0.2	0.1	-59.1
CHILE	1.4	0.3	4.1	226.9	CONGO DEM. REP.	0.8	0.3	5.2	57.0	BURMA	4.3	5.2	5.1	-2.3	ITALY	0.2	0.5	0.1	-69.3
GERMANY	1.1	0.2	0.2	14.5	GHANA	0.6	0.1	0.0	-100.0	CONGO REPUBLIC	2.8	2.9	2.2	-24.3	GUINEA	0.1	0.4	0.1	-84.4
OTHER	8.1	9.7	10.7	9.8	OTHER	2.0	1.9	1.7	-7.8	OTHER	21.3	17.8	23.8	33.5	OTHER	0.5	1.0	1.5	54.3
TOTAL	187.1	210.9	186.6	-11.5	TOTAL	55.5	45.8	49.7	8.4	TOTAL	237.4	222.7	208.2	-6.5	TOTAL	13.3	16.5	30.9	87.5
GERMANY	15.3	13.3	11.4	-14.4	SPAIN	1.2	1.6	2.4	43.9	CROATIA	36.4	27.9	26.4	-5.3	SERB. & MONT.	4.1	3.7	4.1	10.6
FRANCE	12.8	8.8	8.5	-4.5	FRANCE	1.0	0.8	1.3	66.1	BOSN. & HERZ.	36.1	26.3	23.5	-10.6	ROMANIA	1.6	1.1	1.5	36.8
UKRAINE	3.2	3.4	3.3	-1.0	DENMARK	0.6	0.4	0.8	130.3	SLOVENIA	21.0	15.4	14.8	-3.7	MACEDONIA	0.5	0.3	0.4	66.7
SWITZERLAND	2.0	1.0	0.9	-10.6	GERMANY	0.3	0.4	1.3	200.7	SERB. & MONT.	8.9	6.5	8.2	25.7	BULGARIA	0.5	0.4	0.7	69.3
ROMANIA	1.9	2.1	2.8	31.2	SWEDEN	0.1	0.2	0.1	-49.0	POLAND	8.8	5.8	4.8	-17.0	RUSSIA	0.2	0.3	0.3	-6.7
OTHER	5.5	8.2	11.6	41.2	OTHER	0.2	0.4	0.6	47.0	OTHER	59.9	46.5	41.0	-11.9	OTHER	0.2	0.3	0.3	-4.3
TOTAL	40.7	36.9	38.5	4.4	TOTAL	3.3	3.8	6.4	68.0	TOTAL	170.9	128.2	118.5	-7.5	TOTAL	7.2	6.0	7.2	20.5
U.S.A.	119.4	111.5	89.6	-19.6	U.S.A.	17.1	18.0	19.1	5.9	CROATIA	25.2	28.1	28.1	0.2	U.S.A.	8.8	6.0	7.9	31.9
FRANCE	8.6	9.6	7.0	-27.6	CANADA	2.9	2.4	2.1	-12.9	U.S.A.	21.6	16.6	14.0	-15.7	ROMANIA	3.3	4.8	6.9	45.1
CANADA	6.3	9.1	8.7	-4.2	NETHERLANDS	2.2	0.0	0.0	-100.0	FRANCE	8.4	7.5	6.5	-13.9	SERB. & MONT.	3.1	3.2	2.9	-10.9
BELGIUM	3.0	3.5	2.9	-17.2	SPAIN	2.2	2.2	1.8	-17.9	HUNGARY	4.8	6.1	7.1	15.7	UKRAINE	0.7	1.4	2.3	58.6
GERMANY	2.3	2.9	1.6	-45.7	FRANCE	0.9	2.9	2.9	-0.6	UKRAINE	3.3	4.1	5.5	34.4	CROATIA	0.6	0.5	0.1	-86.2
OTHER	7.0	11.2	15.4	37.7	OTHER	2.8	4.6	4.3	-6.0	OTHER	14.1	16.5	21.7	31.6	OTHER	2.2	2.7	2.5	-8.0
TOTAL	146.7	147.8	125.2	-15.3	TOTAL	28.0	30.2	30.3	0.3	TOTAL	77.3	78.8	82.8	5.0	TOTAL	18.7	18.5	22.5	21.2
U.S.A.	19.7	16.7	17.9	7.2	U.S.A.	8.1	6.7	4.6	-31.3	U.S.A.	115.1	89.3	83.2	-6.9	BULGARIA	4.8	8.8	3.2	-63.7
CANADA	8.4	6.5	8.4	29.1	FRANCE	2.7	2.3	2.0	-14.3	HUNGARY	27.5	23.8	23.5	-1.3	U.S.A.	4.3	4.2	4.3	2.4
FRANCE	4.3	4.6	4.2	-9.3	SPAIN	1.8	1.9	1.3	-31.0	CROATIA	14.8	14.6	14.8	1.3	SERB. & MONT.	0.4	0.5	0.3	-42.4
LATVIA	2.5	2.6	2.6	0.0	SWEDEN	1.2	1.5	1.3	-9.7	ROMANIA	12.4	12.5	17.3	38.1	ROMANIA	0.1	0.2	0.3	55.2
CHILE	1.7	1.4	0.7	-46.2	CANADA	1.2	0.8	1.3	62.2	CANADA	11.9	9.5	8.9	-6.9	ITALY	0.1	0.0	0.1	na
OTHER	2.6	5.2	7.6	46.1	OTHER	1.2	0.9	1.4	58.8	OTHER	88.7	89.8	88.2	-1.8	OTHER	0.5	2.5	4.0	57.9
TOTAL	39.2	36.8	41.3	12.0	TOTAL	16.1	14.1	12.0	-15.0	TOTAL	270.4	239.6	235.8	-1.6	TOTAL	10.2	16.2	12.1	-25.1
IVORY COAST	13.8	16.3	12.5	-23.7	BRAZIL	4.5	4.8	3.5	-27.5	IVORY COAST	22.5	25.1	22.9	-8.6	GERMANY	3.5	1.4	1.0	-29.5
GHANA	5.5	6.1	7.2	18.2	SPAIN	1.6	1.4	3.7	166.8	CAMEROON	18.0	17.8	21.8	22.2	GHANA	0.9	1.2	0.6	-52.6
EQUAT. GUINEA	3.5	6.3	6.3	-0.9	GERMANY	0.7	0.8	0.5	-35.2	GHANA	15.1	18.6	15.1	-18.6	IVORY COAST	0.7	1.4	0.7	-52.4
BRAZIL	1.7	1.6	1.7	1.9	GABON	0.6	0.1	0.0	-41.5	GERMANY	2.3	1.9	2.6	39.3	ITALY	0.3	0.2	0.8	238.4
OTHER	8.3	8.1	12.2	51.1	OTHER	2.8	2.6	3.8	47.0	OTHER	15.1	17.3	20.6	19.0	OTHER	0.1	2.9	18.3	618

EU Nations - Value of Imports - 2000 to 2002

All figures million euros

	France				Belgium-Luxembourg				The Netherlands						
	2000	2001	2002	%-chg	2000	2001	2002	%-chg	2000	2001	2002	%-chg			
Tropical logs	GABON	109.3	106.6	83.0	-22.2	NETHERLANDS	2.0	1.4	0.9	-35.6	GABON	9.6	9.8	7.3	-25.0
	LIBERIA	34.8	29.6	30.5	-3.2	FRANCE	1.9	2.0	0.8	-62.2	CAMEROON	7.8	3.7	1.3	-64.4
	EQUAT. GUINEA	17.5	9.4	9.3	-43.7	CAMEROON	1.7	2.8	1.5	-47.5	LIBERIA	2.2	2.0	1.0	-53.0
	CAMEROON	14.4	14.3	9.3	-34.6	GERMANY	1.3	1.2	0.8	-30.0	BURMA	0.8	1.0	0.4	-56.4
	CONGO REPUBLIC	8.4	10.9	17.9	64.2	GABON	1.3	3.6	2.3	-36.2	GERMANY	0.7	0.6	0.5	-12.2
	BELGIUM	3.9	2.1	1.5	-27.9	CONGO DEM. REP.	1.2	2.1	1.8	-15.3	SURINAM	0.5	0.6	1.1	87.5
	CENT. AFR. REP.	3.7	3.9	3.8	-1.1	BURMA	0.4	0.5	0.7	57.2	BELGIUM	0.4	0.5	1.0	89.7
	OTHER	8.1	6.2	6.2	-0.1	OTHER	1.7	2.4	1.2	-48.8	OTHER	1.5	1.0	1.5	56.5
	TOTAL	200.1	182.8	157.4	-13.9	TOTAL	11.4	15.9	10.0	-37.4	TOTAL	23.7	19.2	14.1	-26.3
Beech logs	GERMANY	3.5	2.5	1.4	-43.6	FRANCE	28.2	15.3	9.5	-37.9	FRANCE	2.0	0.0	0.0	-100.0
	BELGIUM	0.5	0.9	1.7	98.2	LUXEMBOURG	2.5	2.9	1.8	-38.1	LUXEMBOURG	0.6	0.5	0.2	-53.9
	SWITZERLAND	0.5	0.6	0.4	-34.4	GERMANY	2.1	1.3	1.6	21.1	EU-UNKNOWN	0.5	0.3	0.1	-61.2
	SPAIN	0.4	0.8	0.7	-6.6	NETHERLANDS	0.3	0.6	0.3	-43.1	GERMANY	0.5	0.4	0.5	5.8
	OTHER	0.7	0.4	0.6	71.4	OTHER	0.5	0.2	0.1	-57.6	OTHER	0.0	0.0	0.0	1500.0
	TOTAL	5.6	5.2	4.9	-4.6	TOTAL	33.5	21.2	13.7	-35.6	TOTAL	3.8	1.2	0.8	-31.0
Oak logs	GERMANY	15.0	10.8	8.7	-19.4	FRANCE	7.3	10.2	11.7	15.0	UKRAINE	1.0	1.5	1.1	-28.9
	BELGIUM	1.5	1.7	0.9	-45.3	NETHERLANDS	0.7	1.1	0.7	-34.6	LUXEMBOURG	0.2	0.2	0.1	-37.9
	ROMANIA	1.1	0.4	0.1	-80.3	LUXEMBOURG	0.6	0.1	0.5	245.1	DENMARK	0.2	0.0	0.0	-100.0
	U.S.A.	1.0	1.6	0.7	-54.8	U.S.A.	0.6	0.5	0.1	-79.0	GERMANY	0.2	0.2	0.2	13.5
	OTHER	3.0	4.0	3.1	-22.9	OTHER	1.2	1.4	0.9	-34.9	OTHER	0.2	0.4	0.2	-42.9
	TOTAL	21.7	18.5	13.5	-26.8	TOTAL	10.4	13.4	13.9	4.2	TOTAL	1.8	2.3	1.6	-29.0
Other hardwood logs	U.S.A.	7.8	8.7	6.2	-29.1	FRANCE	15.3	14.1	10.9	-22.3	GERMANY	2.0	2.0	1.6	-20.0
	BELGIUM	5.3	5.1	5.3	4.3	NETHERLANDS	6.1	5.8	5.5	-4.5	BELGIUM	0.9	0.6	1.3	123.9
	CANADA	2.4	2.0	1.9	-6.1	GERMANY	4.2	3.0	2.2	-27.2	U.S.A.	0.3	0.3	0.1	-47.8
	SPAIN	2.3	3.2	2.1	-33.0	U.S.A.	3.5	3.5	2.9	-16.9	CANADA	0.1	0.0	0.0	-100.0
	OTHER	4.3	5.1	3.4	-33.0	OTHER	4.0	2.9	1.4	-50.0	OTHER	0.2	0.2	0.1	-48.3
	TOTAL	22.1	24.1	18.9	-21.5	TOTAL	33.2	29.3	23.0	-21.4	TOTAL	3.6	3.1	3.2	3.2
Tropical sawn lumber	BRAZIL	88.7	95.7	71.6	-25.2	MALAYSIA	117.9	73.1	52.0	-28.8	MALAYSIA	156.0	112.1	115.0	2.5
	CAMEROON	39.0	40.1	27.2	-32.1	CAMEROON	26.5	27.7	28.1	1.3	CAMEROON	41.1	39.0	33.0	-15.5
	MALAYSIA	30.3	18.5	10.0	-45.9	BRAZIL	15.7	18.0	16.3	-9.3	BRAZIL	25.8	31.6	27.6	-12.8
	GHANA	17.7	11.3	7.5	-33.2	INDONESIA	14.0	7.0	4.6	-33.9	BELGIUM	23.9	13.7	18.0	31.9
	IVORY COAST	13.7	15.6	12.6	-19.5	NETHERLANDS	12.0	10.3	10.9	5.7	INDONESIA	21.3	7.8	12.4	59.3
	BELGIUM	11.2	15.1	13.4	-11.6	GHANA	3.8	4.4	3.3	-23.8	IVORY COAST	8.6	9.3	4.6	-44.0
	CONGO REPUBLIC	4.7	5.4	6.5	19.7	IVORY COAST	2.8	2.4	1.7	-25.7	GERMANY	4.2	2.9	1.7	-39.3
	INDONESIA	3.4	4.1	3.7	-11.5	FRANCE	2.3	2.0	2.4	21.7	GHANA	3.7	3.2	3.2	0.3
	GABON	2.4	4.0	6.6	63.6	BURMA	1.7	2.1	1.5	-28.3	SINGAPORE	3.1	1.5	2.1	36.5
	NETHERLANDS	2.3	1.7	1.5	-14.3	SINGAPORE	1.6	1.3	0.6	-50.7	FRANCE	1.5	0.7	0.2	-63.8
	OTHER	10.7	13.1	9.7	-25.8	OTHER	10.2	11.1	13.9	25.3	OTHER	8.4	7.1	8.6	21.0
	TOTAL	224.2	224.6	170.2	-24.2	TOTAL	208.3	159.3	135.5	-14.9	TOTAL	297.5	227.8	226.4	-0.6
Beech sawn lumber	SPAIN	1.7	1.3	1.4	6.4	FRANCE	5.7	5.0	4.7	-5.1	GERMANY	8.4	4.8	4.6	-44.1
	SLOVAKIA	1.7	1.2	1.6	34.8	GERMANY	2.0	1.5	2.9	87.0	BELGIUM	1.5	1.9	1.4	-29.8
	POLAND	1.5	1.4	0.6	-55.1	NETHERLANDS	1.4	1.4	1.1	-17.0	FRANCE	1.2	0.4	0.2	-41.7
	BOSN. & HERZ.	1.1	0.6	0.3	-55.1	POLAND	0.7	0.5	0.4	-25.8	BOSN. & HERZ.	0.4	0.5	0.4	-17.0
	SWITZERLAND	1.1	1.0	1.1	10.8	ITALY	0.7	0.9	0.4	-47.4	POLAND	1.0	1.0	1.0	90.8
	OTHER	4.8	4.3	4.2	-1.8	OTHER	2.0	1.9	2.1	10.2	OTHER	1.0	1.0	1.2	23.5
	TOTAL	11.9	9.7	9.1	-6.0	TOTAL	12.5	11.1	11.7	4.8	TOTAL	12.8	9.2	8.9	-3.4
Oak sawn lumber	U.S.A.	16.6	11.8	9.5	-20.0	U.S.A.	29.7	24.5	20.1	-17.9	FRANCE	12.2	10.4	11.2	7.5
	BELGIUM	5.2	4.1	3.6	-12.7	FRANCE	15.3	18.0	16.7	-7.1	U.S.A.	11.0	9.4	7.9	-15.9
	CANADA	4.3	3.8	2.7	-29.0	GERMANY	3.6	5.6	5.8	3.3	GERMANY	2.7	2.7	3.0	10.2
	GERMANY	2.1	1.8	1.5	-18.0	CANADA	3.1	1.1	0.7	-35.3	BELGIUM	2.5	2.2	3.9	76.7
	ITALY	1.6	2.4	2.2	-7.5	POLAND	2.5	2.6	3.6	37.5	POLAND	2.4	2.4	2.8	16.7
	OTHER	9.2	12.2	11.3	-7.5	OTHER	10.5	13.2	13.3	0.9	OTHER	8.9	9.0	8.3	-7.0
	TOTAL	39.0	36.1	30.7	-15.0	TOTAL	64.6	65.0	60.2	-7.4	TOTAL	39.8	36.1	37.2	2.9
Other hardwood sawn lumber	U.S.A.	19.2	14.6	9.8	-32.9	U.S.A.	13.9	14.3	11.1	-22.6	U.S.A.	22.3	15.5	10.6	-31.9
	CANADA	10.7	8.2	5.2	-36.7	FRANCE	4.9	3.6	2.3	-35.3	CANADA	15.7	12.3	8.9	-27.4
	BELGIUM	3.9	3.2	3.8	18.8	CANADA	4.2	3.8	3.5	-8.2	LATVIA	3.5	2.7	1.0	-61.3
	GERMANY	3.9	2.5	2.3	-8.3	LITHUANIA	2.7	3.7	5.5	48.6	LITHUANIA	1.7	1.9	1.9	-0.1
	POLAND	1.8	1.0	1.2	21.1	NETHERLANDS	2.7	3.9	3.3	-15.6	BELGIUM	1.5	2.1	1.2	-40.7
	OTHER	10.9	14.1	13.4	-4.6	OTHER	6.3	5.4	7.2	32.9	OTHER	8.5	5.6	5.6	-0.1
	TOTAL	50.3	43.6	35.7	-18.0	TOTAL	34.8	34.7	32.9	-5.2	TOTAL	53.2	40.1	29.3	-27.0
Tropical hardwood veneer	GABON	14.0	24.2	36.5	50.8	GHANA	4.7	4.5	3.7	-17.7	GABON	0.9	1.5	1.6	5.7
	GHANA	3.7	3.8	4.2	11.4	IVORY COAST	3.0	1.5	1.5	1.2	BELGIUM	0.5	0.4	0.6	36.7
	SPAIN	2.3	2.5	1.8	-27.8	FRANCE	2.3	3.7	4.5	22.2	THAILAND	0.4	0.8	0.7	-20.2
	BELGIUM	2.1	2.1	2.6	19.3	GERMANY	1.7	0.6	1.3	131.2	GERMANY	0.3	1.0	0.9	-9.9
	OTHER	10.9	12.6	11.9	-5.4	OTHER	5.0	4.9	8.4	69.2	OTHER	0.8	1.2	2.4	99.3
	TOTAL	33.0	45.2	57.0	26.0	TOTAL	16.7	15.3	19.5	27.5	TOTAL	2.9	5.0	6.2	23.6
Other hardwood veneer	GERMANY	7.9	8.7	8.0	-8.1	U.S.A.	14.3	8.9	6.6	-25.8	GERMANY	3.9	2.9	2.4	-18.1
	SPAIN	6.1	5.7	3.4	-40.8	GERMANY	5.0	5.3	5.3	0.6	POLAND	1.1	0.4	0.2	-40.8
	U.S.A.	6.0	5.3	4.2	-21.8	CROATIA	4.4	3.6	3.3	-7.5	BELGIUM	0.8	1.0	1.0	6.3
	ITALY	5.7	6.7	3.8	-42.7	FRANCE	3.2	2.8	2.2	-19.5	FRANCE	0.6	0.4	0.4	2.1
	OTHER	12.1	7.8	7.6	-2.7	OTHER	6.4	6.7	5.7	-16.1	OTHER	1.4	1.2	1.4	13.3
	TOTAL	37.8	34.2	27.0	-21.2	TOTAL	33.3	27.3	23.1	-15.3	TOTAL	7.7	5.9	5.4	-8.0
Tropical hardwood plywood	INDONESIA	28.1	23.9	19.6	-18.0	INDONESIA	101.4	96.1	78.3	-18.5	FRANCE	39.3	36.8	38.8	5.3
	BELGIUM	13.1	14.1	12.0	-14.9	NETHERLANDS	8.8	9.1	8.5	-6.9	BELGIUM	29.3	24.9	19.4	-22.2
	GABON	6.1	5.9	6.1	2.9	MALAYSIA	4.2	2.8	1.9	-31.9	NON-EU SUPP.	29.7	21.6	19.8	-33.4
	IVORY COAST	5.1	5.6	4.9	-11.8	BRAZIL	4.2	6.1	9.3	54.3					

EU Nations - Value of Imports - 2000 to 2002

United Kingdom					Ireland					Sweden					Finland				
	2000	2001	2002	%-chg		2000	2001	2002	%-chg		2000	2001	2002	%-chg		2000	2001	2002	%-chg
CAMEROON	4.4	3.4	0.8	-76.1	GHANA	1.5	1.6	1.3	-16.9	GERMANY	0.4	0.4	0.6	71.4	GERMANY	0.0	0.0	0.0	na
MALAYSIA	1.7	0.5	0.5	-3.3	IVORY COAST	0.6	2.2	1.2	-46.7	DENMARK	0.3	0.2	0.5	134.2	...	0.0	0.0	0.0	na
GERMANY	1.5	0.8	0.9	16.5	CANADA	0.5	0.4	0.1	-63.1	BURMA	0.3	0.3	0.4	29.6	...	0.0	0.0	0.0	na
INDONESIA	1.0	0.1	0.0	-38.4	FINLAND	0.4	0.1	0.0	-100.0	BELGIUM	0.2	0.4	0.5	15.1	...	0.0	0.0	0.0	na
IVORY COAST	0.9	1.0	0.9	-15.6	DENMARK	0.3	0.4	0.1	-60.1	MALAYSIA	0.1	0.0	0.0	na	...	0.0	0.0	0.0	na
GABON	0.8	0.6	0.1	-92.2	U.S.A.	0.2	0.0	0.0	na	CAMEROON	0.1	0.0	0.0	-64.3	...	0.0	0.0	0.0	na
GHANA	0.8	0.5	0.3	-29.1	U.S.A.	0.2	0.2	0.1	-16.8	INDONESIA	0.0	0.0	0.0	na	...	0.0	0.0	0.0	na
OTHER	3.8	6.3	8.9	40.8	OTHER	0.8	2.4	1.2	-50.7	OTHER	0.0	0.3	0.2	-29.7	OTHER	0.0	0.0	0.1	810.0
TOTAL	14.9	13.2	12.4	-5.9	TOTAL	4.6	7.1	4.1	-42.5	TOTAL	1.4	1.6	2.2	33.7	TOTAL	0.0	0.0	0.1	810.0
FRANCE	0.2	0.4	0.3	-24.6	U.K.	0.2	0.4	0.0	-86.2	GERMANY	12.8	13.9	15.7	13.1	GERMANY	0.7	0.6	0.4	-21.3
DENMARK	0.1	0.0	0.1	100.0	EU-UNKNOWN	0.1	0.1	0.0	-74.4	DENMARK	2.2	0.9	0.8	-16.8	DENMARK	0.1	0.0	0.0	-100.0
ROMANIA	0.0	0.1	0.2	103.1	GHANA	0.1	0.0	0.0	na	POLAND	0.9	0.9	1.0	18.1	...	0.0	0.0	0.0	na
BELGIUM	0.0	0.0	0.0	na	ROMANIA	0.1	0.1	0.1	-77.7	HUNGARY	0.0	0.0	0.0	na	...	0.0	0.0	0.0	na
OTHER	0.0	0.2	0.7	213.8	OTHER	0.1	0.3	0.3	0.6	OTHER	0.0	0.0	1.3	4116.1	OTHER	0.0	0.0	0.0	-100.0
TOTAL	0.4	0.7	1.3	70.6	TOTAL	0.6	0.8	0.4	-45.8	TOTAL	15.9	15.7	18.8	19.7	TOTAL	0.8	0.6	0.4	-24.3
U.S.A.	4.0	2.8	1.8	-37.4	U.S.A.	4.6	3.6	3.5	-2.5	DENMARK	3.8	4.1	4.6	12.0	FRANCE	0.0	0.0	0.0	na
FRANCE	0.5	1.9	3.4	75.3	SINGAPORE	0.2	0.0	0.0	na	GERMANY	3.5	3.8	2.9	-23.3	POLAND	0.0	0.0	0.0	na
CANADA	0.1	0.0	0.0	32.0	CANADA	0.2	0.2	0.2	9.3	UKRAINE	0.2	0.7	0.6	-8.6	ESTONIA	0.0	0.0	0.0	-100.0
ROMANIA	0.1	0.7	0.2	-74.4	GERMANY	0.2	0.1	0.1	59.0	POLAND	0.2	0.4	0.2	-49.0	CANADA	0.0	0.0	0.0	na
OTHER	0.3	0.6	1.9	226.5	OTHER	0.4	1.3	0.8	-35.9	OTHER	0.1	0.1	0.4	153.1	OTHER	0.0	0.0	0.0	na
TOTAL	5.1	6.1	7.2	19.2	TOTAL	5.7	5.1	4.6	-9.5	TOTAL	7.7	9.1	8.7	-4.6	TOTAL	0.0	0.0	0.0	183.3
U.S.A.	10.2	7.2	7.0	-4.0	U.S.A.	2.8	2.0	2.2	8.5	LATVIA	68.4	53.0	69.2	30.5	RUSSIA	169.2	202.1	191.3	-5.3
LATVIA	3.7	3.6	7.8	116.0	CANADA	0.6	0.4	1.1	151.9	RUSSIA	44.2	29.1	36.7	26.0	ESTONIA	29.8	26.1	24.7	-5.4
CANADA	2.3	0.8	0.7	-12.7	LATVIA	0.0	0.0	0.0	171.4	ESTONIA	27.3	26.8	30.5	13.5	LATVIA	13.2	12.6	12.5	-0.7
ESTONIA	1.1	0.2	3.0	1460.7	U.K.	0.0	0.1	1.2	1959.3	LITHUANIA	13.8	10.4	11.5	10.5	SWEDEN	0.8	1.1	1.2	4.6
OTHER	1.9	1.6	3.4	106.8	OTHER	0.1	0.8	1.3	63.4	OTHER	5.4	8.0	3.0	-62.7	OTHER	0.7	4.5	2.1	-52.9
TOTAL	19.2	13.5	21.8	62.0	TOTAL	3.5	3.3	5.8	75.4	TOTAL	159.1	127.4	150.9	18.4	TOTAL	213.8	246.4	231.8	-5.9
MALAYSIA	37.7	30.7	28.7	-6.3	CAMEROON	13.0	14.6	9.6	-34.3	NETHERLANDS	2.2	2.1	1.5	-26.9	IVORY COAST	2.2	1.9	0.7	-64.0
CAMEROON	23.1	20.0	19.3	-3.6	GHANA	8.4	9.6	3.8	-60.5	DENMARK	1.7	1.6	1.2	-22.5	THAILAND	1.2	0.6	0.1	-87.1
NETHERLANDS	12.0	12.5	14.6	17.0	IVORY COAST	8.3	7.9	5.7	-27.5	BURMA	1.4	1.6	1.3	-20.9	SWEDEN	1.0	1.1	0.7	-34.0
IVORY COAST	11.0	8.6	11.3	31.8	U.K.	4.9	2.7	1.9	-28.1	MALAYSIA	1.1	3.2	1.0	-68.7	MALAYSIA	0.7	0.5	0.3	-39.6
GHANA	10.3	9.6	9.8	1.6	CHINA	1.4	0.0	0.0	na	THAILAND	0.5	0.2	0.1	-7.1	AUSTRALIA	0.6	0.3	0.5	44.0
BRAZIL	8.2	9.9	8.1	-17.8	EU-UNKNOWN	1.0	0.8	0.3	-62.7	U.S.A.	0.5	0.1	0.0	-40.2	NETHERLANDS	0.6	0.9	0.2	-32.2
INDONESIA	6.1	4.8	3.6	-25.9	GERMANY	0.7	0.2	0.1	-63.1	GERMANY	0.5	0.8	1.9	133.7	GERMANY	0.4	0.4	0.5	21.4
U.S.A.	3.9	2.3	3.5	53.9	U.S.A.	0.6	0.8	0.5	-35.7	BELGIUM	0.3	0.1	0.1	87.5	ECUADOR	0.4	0.4	0.3	-25.5
BELGIUM	2.7	3.2	3.0	-5.1	OTHER	2.6	2.0	1.8	-9.6	GHANA	0.2	0.4	0.5	8.8	DENMARK	0.3	0.5	0.3	-34.2
OTHER	13.7	17.5	20.2	15.4	TOTAL	40.9	38.7	23.8	-38.5	SINGAPORE	0.2	0.2	0.2	16.1	BELGIUM	0.3	0.4	0.2	-55.6
TOTAL	128.6	119.1	122.2	2.6	TOTAL	40.9	38.7	23.8	-38.5	OTHER	1.0	1.6	1.4	-14.9	OTHER	1.4	2.8	2.8	-1.2
GERMANY	15.6	16.2	15.1	-6.9	GERMANY	0.3	0.3	0.3	18.5	POLAND	5.1	3.8	2.3	-39.8	POLAND	4.9	3.2	2.6	-19.9
DENMARK	2.1	2.0	2.4	19.1	U.K.	0.2	0.2	0.3	34.6	DENMARK	2.9	2.2	1.9	-14.9	GERMANY	2.9	1.8	1.6	-12.2
FRANCE	1.4	2.8	4.6	63.6	ITALY	0.1	0.1	0.2	102.3	GERMANY	2.4	1.9	1.6	-17.2	FRANCE	1.5	1.6	0.1	-94.6
SLOVENIA	0.7	0.0	0.0	na	DENMARK	0.1	0.0	0.0	-84.2	HUNGARY	1.7	1.2	0.5	-57.7	SWEDEN	0.4	0.1	0.1	-20.4
ITALY	1.0	1.2	1.3	10.1	EU-UNKNOWN	0.1	0.2	0.1	-50.8	SLOVENIA	1.3	1.5	1.5	-2.5	DENMARK	0.3	0.1	0.0	-81.5
OTHER	1.8	2.1	2.4	18.2	OTHER	0.1	0.1	1.5	357.1	OTHER	2.6	2.6	1.6	-38.2	OTHER	0.6	1.1	1.0	-11.8
TOTAL	22.3	24.3	25.9	6.6	TOTAL	0.8	0.9	1.4	56.3	TOTAL	15.9	13.2	9.3	-29.4	TOTAL	10.6	7.9	5.3	-32.7
U.S.A.	48.6	50.6	43.4	-14.2	U.S.A.	10.6	8.2	6.4	-22.4	U.S.A.	14.7	12.4	10.5	-15.1	U.S.A.	3.3	3.0	2.7	-10.5
FRANCE	13.3	14.2	11.0	-22.8	FRANCE	0.9	0.0	0.0	na	HUNGARY	5.5	5.1	3.7	-27.1	POLAND	3.3	2.3	4.3	90.2
CANADA	7.0	7.0	6.3	-9.5	EU-UNKNOWN	0.8	0.3	0.2	-50.4	POLAND	5.0	3.3	3.4	3.3	POLAND	2.7	2.8	2.2	-22.1
ESTONIA	4.2	5.9	6.4	8.5	CANADA	0.4	0.3	0.2	-31.3	CANADA	2.2	2.2	1.3	-40.7	CANADA	1.4	0.5	0.6	-14.9
GERMANY	2.1	3.3	4.4	31.9	U.K.	0.3	0.1	0.4	303.3	CROATIA	1.7	1.4	1.3	-6.0	GERMANY	0.6	1.4	1.1	-20.3
OTHER	4.7	9.1	12.1	33.0	OTHER	0.7	1.4	1.6	9.9	OTHER	7.1	7.0	8.5	21.5	OTHER	2.3	1.7	2.9	69.1
TOTAL	79.9	90.1	83.5	-7.2	TOTAL	13.6	10.4	8.7	-16.3	TOTAL	36.3	31.4	28.8	-8.4	TOTAL	13.6	11.7	13.8	17.8
U.S.A.	36.9	39.1	35.1	-10.4	U.S.A.	5.0	3.0	3.4	11.4	CANADA	9.2	11.7	8.6	-26.2	CANADA	6.9	5.8	2.5	-57.2
LATVIA	24.8	22.5	30.6	36.1	CANADA	0.9	0.7	1.0	47.9	U.S.A.	8.8	8.3	7.6	-9.0	ESTONIA	4.8	4.3	4.6	5.3
CANADA	16.0	13.9	10.9	-21.6	U.K.	0.6	0.9	1.4	52.6	ESTONIA	2.4	1.7	2.1	26.5	U.S.A.	2.3	3.3	1.9	-41.0
ESTONIA	9.0	7.6	5.3	-30.4	GERMANY	0.3	0.3	0.1	-71.6	GERMANY	2.4	2.1	2.5	18.9	RUSSIA	0.8	0.9	1.1	19.5
SWEDEN	3.1	2.9	2.2	-24.8	SWEDEN	0.2	0.2	0.1	-56.9	LATVIA	1.6	1.6	1.8	9.9	POLAND	0.5	0.4	0.3	-36.9
OTHER	7.5	9.4	10.3	10.3	OTHER	0.7	1.1	0.4	-62.5	OTHER	5.7	7.2	6.6	-7.7	OTHER	2.9	3.3	2.8	-16.3
TOTAL	97.3	95.4	94.4	-1.1	TOTAL	7.7	6.2	6.3	2.9	TOTAL	30.2	32.6	29.2	-10.4	TOTAL	18.2	18.1	13.1	-27.4
SOUTH AFRICA	5.7	6.4	1.5	-76.4	U.S.A.	0.8	0.7	0.8	8.0	GERMANY	1.7	1.4	1.1	-17.9	THAILAND	0.7	1.0	1.3	24.4
GERMANY	2.9	1.6	1.5	-7.4	GERMANY	0.3	0.2	0.5	168.6	INDIA	0.8	0.4	0.4	-3.8	SWEDEN	0.6	0.3	0.3	18.4
U.S.A.	2.2	2.3	0.7	-71.4	U.K.	0.2	0.3	0.9	195.8	DENMARK	0.6	0.6	1.0	63.7	GHANA	0.4	0.2	0.3	15.1
GHANA	2.0	1.5	1.0	-36.1	SOUTH AFRICA	0.1	0.2	0.1	-50.8	THAILAND	0.4	0.4	0.4	-7.1	DENMARK	0.3	0.3	0.1	-54.6
OTHER	5.5	5.4	4.5	-16.5	OTHER	0.2	0.3	0.8	164.7	OTHER	0.7	1.0	1.1	16.8	OTHER	0.5	0.9	0.7	-22.9
TOTAL	18.2	17.3	9.2	-47.0	TOTAL	1.6	1.7	3.0	78.4	TOTAL	4.2	3.7	4.0	6.8	TOTAL	2.5	2.7	2.7	-1.7
U.S.A.	16.4	10.0	4.6	-53.9	GERMANY	0.6	0.5	0.6	17.9	GERMANY	10.2	7.8	6.3	-18.9	GERMANY	3.3	2.6	3.5	34.6
GERMANY	11.8	7.0	7.5	6.9	U.S.A.	0.6	0.6	1.0	66.0	FINLAND	5.5	6.1	5.4	-11.6	SWEDEN	1.7	1.3	0.8	-42.0
BELGIUM																			

Europe



are a startling number of minus signs in the trend data, emphasising a significant fall-off in trade volumes between 2001 and 2002. This year seems even slower, so it is hard to escape the fact of a continuous decline in the E.U. hardwood trade since the heady days of 2000.

Changing nature of E.U. trade

A glance at the extremities of the tables provides an insight into the changing nature of the European trade. From the top table, it is clear there was an almost universal decline in tropical hardwood log imports into E.U. countries last year, a reflection of declining availability and increased competition for supplies, particularly from the Far East. Looking at the bottom table, there was an almost universal rise in finished furniture imports by E.U. countries.

Only Greece bouyant last year

Of all E.U. countries, only Greece stands out as a bouyant market for hardwoods last year, perhaps boosted by construction activity in the run-up to the 2004 Olympic Games in Athens.

As for the most depressed E.U. market for hardwoods during 2002; Germany and France are the leading contenders, particularly given their size and importance.

Plywood



agreement with the Indonesian government to work together to tackle illegal logging. And following intense environmentalist pressure during April and May this year, the leading UK importers agreed to take much more pro-active steps to stamp out imports of illegally sourced Indonesian plywood. UK importers are now planning to concentrate purchases of Indonesian plywood on only a few of the largest mills, and to subject all these mills to independent verification of their wood supply chains. There are plans to introduce a trade levy to fund the verification process.

Barrage of new requirements

Meanwhile, on 24 June, the Indonesian and Japanese governments signed a bilateral agreement to tackle problems of illegal wood trade between the two countries. This agreement also calls for development of procedures to independently verify the legality of logs used in plywood manufacture. The impact of this agreement is likely to be much more significant than that with the U.K. While the U.K. imports only around 200,000 m³ of hardwood plywood from Indonesia every year, Japan regularly imports between 2 million m³ and 3 million m³. This is roughly one third of Japan's hardwood plywood consumption (totalling around 7 million m³), and of Indonesia's entire annual plywood production (also around 7 million m³).

So these agreements will increase pressure on Indonesian plywood mills to adopt independent legal verification procedures and curtail their reliance on illegally felled logs. At the same time, Indonesian mills face an uphill struggle to meet new technical standards being applied in major export markets. Sales are already under pressure in Japan due to the difficulties faced by Indonesian mills in achieving new requirements under Japan's new Building Standard Law. These requirements, designed to reduce formaldehyde emissions by panel products, were introduced from July 2003.

In Europe, a new continent-wide standard for plywood use in construction – EN13986 – is being phased in over the next 12 months. This standard will provide the foundation for CE Marking of plywood and will effectively become mandatory for plywood use in many European countries from 1 April 2004. To satisfy the new EU requirements, plywood manufacturers will need to install quality-control systems in their factories for the regular testing of products and use a certified testing laboratory with third-party auditing.

Meeting these new standards would be a challenge for mills at the best of times. But for Indonesian mills burdened down with debt and facing severe log supply problems, the new requirements may finally push them over the edge.

Letter

The Environmental Investigation Agency on the illegal timber trade in Singapore and Malaysia

The May issue of *hardwoodmarkets.com* carried an article on new illegal logging measures in Malaysia. The article related the response of the Malaysian government to recent evidence of the continuing involvement of Malaysia in trading in illegal Indonesian logs and ramin wood uncovered by EIA/Telapak investigations. In April this year EIA/Telapak investigators found illegal Indonesian round logs entering ports on the west coast of Peninsular Malaysia under the eyes of Malaysian Customs and Police. We also found illegal Indonesian ramin logs which had been imported in breach of the CITES Convention. In April EIA/Telapak also found illegal Indonesian ramin being traded through Singapore, and recorded two Singaporean timber smugglers on hidden camera. The evidence from these April investigations is contained in the EIA/Telapak document "Timber Traffickers".

While we welcome the inclusion of squared

logs in the Malaysian import ban and the promise to improve enforcement, we feel it is important to stress that what we discovered in Malaysia in April this year was not simply a loophole being exploited or small cases of smuggling. It was a wholesale failure to enforce the already current ban. In one hour we witnessed 32 Indonesian flagged vessels with Indonesian sailors arrive at one Malaysian port with Indonesian round logs on board. It was common knowledge in the town that all these ships had come from Sumatra, so the claim that Malaysian Customs officers are being hoodwinked into believing the wood comes from elsewhere is difficult to accept. Nevertheless, we hope that the adjustments made to Malaysia's ban on logs from Indonesia will result in its effective implementation and enforcement.

Ramin (*Gonystylus* spp.) has been listed on Appendix III of CITES since August 2001, and since the end of that year Indonesia has banned all exports of ramin wood, except for those from one FSC Certified con-

cession. Despite these measures, EIA/Telapak investigations have shown that illegal Indonesian ramin continues to be traded in the UK, Italy, the USA, China, Singapore, and Malaysia. Ramin only comes from two countries, Indonesia and Malaysia. Indonesia has banned the cutting and export of ramin, while illegal Indonesian ramin is laundered through Malaysia. Given this, it is the view of EIA/Telapak that no ramin in international trade can be trusted and we are now therefore calling on consuming countries, companies and individual consumers to stop trading, buying or using ramin.

Sam Lawson, Forest Campaigner, EIA

In next month's summer special

A review of the world tropical hardwood trade; analysis of first quarter EU import data; analysis of European beech and oak trade; 2002 export statistics for Malaysia and Indonesia; and much more...

South America

Brazil

New policy for mahogany

On 5 June, President Lula announced the launch of a new policy for mahogany harvesting in the Brazilian Amazon. He signed a decree which establishes that mahogany may only be harvested under Sustainable Forest Management Plans approved by IBAMA. The decree also bans the cutting of mahogany in degraded forest areas. From now on, part of the returns from seized mahogany loads will be made available to social and environmental Non-Governmental Organisations (NGOs) established within the areas affected by illegal harvesting. The remaining money will be invested in strengthening IBAMA's surveillance and monitoring capacity.

While politically expedient as a means of silencing environmental critiques, these measures will have no significant effect on the management of the Brazilian Amazon or on deforestation. Mahogany has become only a minor player in the Brazilian wood market. The main focus of Brazil's Amazonian wood industry is to supply a wide range of non-mahogany species to the domestic market. Even export sales now concentrate on non-mahogany species, notably for the production of flooring blanks which are then exported to China, and a variety of durable hardwoods which are used to supply the North American and European decking markets.

Deforestation rises sharply

Even more important, these measures targeting the timber sector do nothing to address the main cause of forest degradation in the region. In the last two years there has been a huge increase in the rate of forest clearance by large-scale growers of soya beans. Brazil is expected to overtake US soya production in a few years, making it the world's leading producer of a crop that offers its farmers large profits and gives a sizeable boost to its national trade accounts. A significant proportion of Brazilian soya beans are exported to the European Union for cattle feed.

Data from Brazil's National Institute for Space Research, based on satellite observations, reveal that in the year to August 2002 the amount of rainforest cut down was 25,500 square kilometres, or 10,190 square miles. This is 40% up on the previous year and the second highest in the whole 30-year saga of Amazonian deforestation, exceeded only by the exceptional year to August 1995, when 29,059 sq km (12,200 sq miles) were converted. After that, the figure dropped and

Exchange rates

		One GB pound (£)			One US Dollar (\$)			One Euro		
		9-May	6-Jun	7-Jul	9-May	6-Jun	7-Jul	9-May	6-Jun	7-Jul
Argentina	Peso	4.4145	4.7146	4.6437	2.7550	2.8350	2.7850	3.1651	3.3158	3.1990
Australia	Aus. \$	2.4878	2.5164	2.4497	1.5526	1.5132	1.4692	1.7837	1.7698	1.6876
Bangladesh	Taka	93.0966	97.1691	97.3762	58.1000	58.4300	58.4001	66.7483	68.3398	67.0813
Belize	B\$	3.1566	3.2761	3.2848	1.9700	1.9700	1.9700	2.2632	2.3041	2.2629
Bolivia	Boliviano	12.1927	12.6853	12.7698	7.6093	7.6280	7.6585	8.7419	8.9217	8.7970
Botswana	Pula	7.7241	8.548	8.2158	4.8205	5.1401	4.9273	5.5380	6.0119	5.6598
Brazil	Real	4.6163	4.7778	4.7188	2.8810	2.8730	2.8300	3.3098	3.3603	3.2507
Canada	Canadian \$	2.2281	2.2523	2.2352	1.3905	1.3544	1.3405	1.5975	1.5841	1.5398
Chile	Peso	1113.390	1183.970	1164.100	694.848	711.949	698.153	798.277	832.695	801.935
China	Yuan	13.2623	13.7646	13.802	8.2768	8.2770	8.2776	9.5088	9.6807	9.5080
Czech Republic	Koruna	43.8856	44.5751	45.3038	27.3583	26.9040	27.5302	31.4650	31.5500	31.6226
Denmark	Danish Krone	10.3556	10.5584	10.7906	6.4628	6.3478	6.4715	7.4247	7.4244	7.4335
Estonia	Kroon	21.8236	22.2464	22.7248	13.6197	13.3773	13.6289	15.8471	15.8461	15.6548
Euro-zone (1)	Euro	1.3947	1.4219	1.4516	0.8704	0.8550	0.8706	1.0000	1.0000	1.0000
Fr. Africa (2)	CFA Fr.	914.89	932.68	952.20	570.97	560.84	571.07	655.97	655.96	655.96
Ghana	Cedi	13836.30	14418.20	14481.40	8635.00	8670.00	8685.03	9920.33	10140.43	9976.07
Guyana	Guyanese \$	286.821	297.677	298.465	179.000	179.000	179.000	205.645	209.359	205.609
Hong Kong	HK\$	12.4968	12.9692	13.003	7.7990	7.7987	7.7984	8.9599	9.1213	8.9576
India	Rupee	75.9889	77.9614	77.2506	47.1800	46.8800	46.3300	54.2028	54.8309	53.2170
Indonesia	Rupiah	13716.1	13595.0	13644.3	8560.0	8175.0	8183.0	9834.1	9561.5	9399.4
Japan	Yen	187.819	197.648	196.82	117.215	118.850	118.040	134.662	139.007	135.587
Kenya	K. Shilling	112.004	122.147	124.055	69.900	73.450	74.400	80.304	85.907	85.490
Korea South	Won	1925.22	1996.02	1968.37	1201.50	1200.25	1180.50	1380.34	1403.82	1355.99
Liberia	Liberian \$	1.6023	1.663	1.6674	1.0000	1.0000	1.0000	1.1488	1.1696	1.1487
Malaysia	Ringgit	6.0889	9.3194	6.3361	3.8000	5.6040	3.8000	4.3656	6.5544	4.3649
Myanmar	Kyat	9.9365	10.3126	10.3399	6.2012	6.2012	6.2012	7.1243	7.2529	7.1230
New Zealand	NZ\$	2.7749	2.8786	2.7988	1.732	1.731	1.679	1.990	2.025	1.928
Nigeria	Naira	208.386	218.851	216.929	130.050	131.600	130.100	149.408	153.920	149.440
Papua NG	Kina	5.7747	5.8872	5.7699	3.6039	3.5401	3.4604	4.1403	4.1405	3.9748
Philippines	Peso	83.843	88.9039	89.0559	52.3250	53.4600	53.4101	60.1136	62.5268	61.3496
Poland	Zloty	6.0301	6.2286	6.4577	3.7633	3.7454	3.8729	4.3235	4.3806	4.4486
Romania	Leu	52308.7	54405.0	54593.2	32645.0	32715.0	32741.5	37504.2	38263.5	37608.6
Russia	Rouble	49.8267	50.8147	50.5305	31.0960	30.5561	30.3050	35.7247	35.7384	34.8099
Singapore	Singapore \$	2.7912	2.8745	2.9154	1.742	1.729	1.748	2.001	2.022	2.008
Solomon Is.	Simm. Is. \$	11.8719	12.5078	12.5315	7.409	7.521	7.516	8.512	8.797	8.633
South Africa	Rand	11.575	13.3749	12.5201	7.2238	8.0426	7.5088	8.2990	9.4067	8.6249
Sweden	Krona	12.7926	12.9467	13.3513	7.9836	7.7852	8.0073	9.1720	9.1055	9.1976
Taiwan	\$	55.6816	57.5897	57.3085	34.7500	34.6300	34.3700	39.9225	40.5033	39.4792
Tanzania	Shilling	1653.63	1721.21	1737.43	1032.00	1035.00	1042.00	1185.62	1210.54	1196.90
Thailand	Baht	68.18	69.2556	69.4805	42.55	41.645	41.67	48.8836	48.708	47.8643
Uganda	New Shilling	3202.30	3326.42	3319.79	1998.50	2000.25	1991.00	2295.98	2339.50	2286.96
United Kingdom	£	1.0000	1.0000	1.0000	0.6241	0.6013	0.5997	0.7170	0.7033	0.6889
U.S.A.	US \$	1.6023	1.663	1.6674	1.0000	1.0000	1.0000	1.1488	1.1696	1.1487
Venezuela	Bolivar	2560.526	2657.470	2664.510	1598.003	1597.998	1598.004	1835.867	1869.019	1835.550
Zimbabwe	Dong	24779.5	2541.6	25849.7	15464.5	1528.3	15503.0	17766.4	1787.5	17807.6
Zimbabwe	\$	1320.34	1370.31	1373.94	824.00	824.00	824.00	946.66	963.75	946.49

(1) Belgium, Finland, France, Germany, Greece, Irish Republic, Italy, Luxembourg, Netherlands, Portugal, Spain. (2) Cameroon, CAR, Congo, Gabon & Cote d'Ivoire

Hardwood Events

1 Aug-2 Sep 2003, SPOGA/GAFA Fair, Cologne, Germany. International Garden Trade Fair, outdoor timber products. Contact: Barbara Hills, b.hills@koelnmessenaf.com

1 August, Forest Law, Enforcement, Governance and Trade (FLEGT) seminars and debate, Oxford, UK. Tropical Forestry Resource Group. Email: frmillar@onetel.net.uk

21-28 Sep 2003, XII World Forestry Congress, Quebec, Canada. For: Forestry sector. Contact: www.wfc2003.org

25 Sept 2003, Event on certification and world forestry, Quebec City, Canada. Contact: Conference Coordinator; tel: +1-877-273-5777; e-mail: info@CertificationWatchConference.org; http://www.certificationwatchconference.org/upcoming_events.htm

13-16 Oct 2003, AFLEG Ministerial Conference, Yaounde, Cameroon.

15 Oct 2003, The UK Wood Awards, London, UK. For: suppliers of wood to the UK construction and interiors sectors. Contact: http://www.thewoodawards.co.uk/

16-17 Oct 2003, Branchentag Holz Wiesbaden, Germany. For: timber trade and industry. Contact: http://www.branchentag.de/

index.php

15-18 Oct Zow 2003 Pordenone, Italy. For: component/dimension suppliers. Contact: http://www.zow.it/02gb/main.htm

21-24 Oct 2003, Wood-Tec 2003, Brno, Czech Republic. For: timber trade and industry. Contact: Tel +420 541 15 32 72; email envibmo@bv.v.cz

30 Oct 2003, Houtdag Schiedam, Netherlands Wood Day.

30-31 Oct 2003, ATIBT Forum, Athens, Greece. For: tropical timber trade and industry. Contact: www.atibt.com; email com@atibt.com

3-8 Nov, 35th Session of the International Tropical Timber Council, Yokohama, Japan. Contact: ITTO Secretariat; tel: +81-45-223-1110; fax: +81-45-223-1111; e-mail: itte@itto.or.jp; Internet: http://www.itto.or.jp

3-8 Nov 2003, BATIMAT Fair, Paris, France. For: building materials suppliers. Contact: http://www.batimat.com/2003date.htm

12-15 Nov 2003, MADERALIA Fair, Valencia, Spain. For: Woodworking & Wood Supplies. Contact: http://maderalia.feriavalencia.com/index.jsp

25 Nov-3 Dec 2003, The Big 5 Show, Dubai, UAE. For: building and construction, materials suppliers. Contact: International Conferences and Exhibitions, Tel + 44 (0) 1442878222; Fax: +44 (0) 1442879998

remained steady at about 18,000 sq km until the big increase last year. Last year's jump in deforestation was due to the clearance of large tracts of forest in the states of Mato Grosso and Para for the production of soya beans.

Talk of emergency action

The Brazilian authorities have acknowledged this new threat to the Amazon forest. Brazil's new Environment Minister, Marina Silva, herself a former rubber tapper from

the Amazon, said there would be "emergency action to deal with this highly worrying rise in deforestation". She said the government was considering real-time monitoring of deforestation and, for the first time in Brazil, to force all ministries to consider the environment when enacting policies. The Brazilian government also plans to hold a national environmental conference in November, in order to establish an environmental policy, for the next three years.

Iroko firm, sapele flat

Existing stocks of African sapele sawn lumber in Europe are widely regarded as sufficient to meet demand. European consumption of sapele is still slow. Despite a slight fall in the value of the euro on international exchange markets in early July, the rate is still sufficiently high to discourage forward orders. Nevertheless most African shippers are holding sapele FOB prices steady. By contrast, iroko stocks are low and prices are firming. It is the rainy season in major African producing areas north of the equator and availability of most species is expected to tighten. Some mills have shut to undertake maintenance. Logging constraints and tax increases in key African supplier countries are putting pressure on producers to raise log prices. **Page 4**

Mixed market for Asian logs

The Asian log market has been mixed over recent months. It is the dry season in Sarawak, the major supplier of tropical logs to the international market, and output has been rising. China is now by far the world's dominant market for tropical logs. China's log imports were strengthening between January and April, but SARS-related economic problems slowed demand in May and June. This contributed to weakening prices for meranti logs. However a temporary rise in Indian demand has helped boost prices for some other species. There have been signs of improving demand for tropical logs in Japan this year. **Page 4**

Sluggish meranti lumber market

European forward demand for Malaysian sawn lumber is slow, although there are some reports of an increase in forward orders. This seems to reflect importers efforts to fill gaps in diminished stocks and to secure sufficient arrivals immediately after the European holiday season. Many European importers have been relying heavily on existing landed stocks, which are gradually being reduced. The Japanese market for Malaysian sawn lumber is also sluggish. **Page 5**

Emerging opportunities in India

India has traditionally been a log market, importing to supply a fragmented domestic market. But there are signs that this may be about to change. Tariffs on sawn lumber and other processed wood products are set to decrease, economic growth is boosting domestic demand, and some ambitious Indian manufacturers have plans to exploit export markets. **Page 6**

Key sectors active in U.S.

Key sectors for sales of hardwoods in the United States have remained fairly buoyant in recent months, boosted by low interest rates and massive fiscal stimuli. But questions remain over the long term prospects for the American economy. Meanwhile wet weather has put a brake on logging activity in many areas, which has meant that green lumber prices have been fairly firm. Kiln dried prices, which often weaken at this time year, have remained stable. **Pages 6-7**

U.S. hardwood exports slow again

Judging from trade data and anecdotal reports, American hardwood export markets have been sluggish this year despite the relative weakness of the U.S. dollar on international exchange markets. Data to end April this year indicates a significant fall in the volume of U.S. exports of logs, lumber and veneer. The single month of April seems to have been a particularly poor one for overseas shipments of American hardwoods. Exports to both Spain and China fell away during the month. **Pages 7-8**

Forest sector's tarnished image

The European public have a poor image of the forest sector. There is also great public ignorance of the environmental role of the forest sector, of its modernity and importance for employment. Perceptions of job attractiveness in the sector are very low. These are the results of a study commissioned by the Enterprise DG of the European Commission. **Page 9**

Value of EU imports 2000-2002

Value of import data between 2000 and 2002 for the all the countries of the E.U. is published in this issue. While highlighting the diversity of European hardwood markets, the data also shows there are similarities, notably: the fall-off in trade over the last 3 years; the universal decline in tropical log imports; and the rise in furniture imports. **Pages 9-14**

Brazil's new mahogany policy

On 5 June, President Lula announced the launch of a new policy for mahogany harvesting in the Brazilian Amazon. Mahogany may be harvested but only under Sustainable Forest Management Plans approved by IBAMA. Meanwhile, new data shows that there was a 40% rise in the rate of Amazonian deforestation during 2001-2002. The main culprit: cultivation of soya beans to supply animal feed to the western world. **Page 15**

Illegal logging debate

Green groups have launched a wide-ranging and dynamic campaign in an effort to encourage European legislators to impose new laws to control imports of illegally sourced wood products into the E.U. The green's proposals received a sympathetic airing in the EC's newly published Illegal Logging Action Plan. In our editorial we argue that these proposals are irrational and would be ineffective. In a guest column, the EIA argues in favour of new European legislation. **Pages 2, 3**

Indonesian plywood in trouble

International demand for tropical hardwood plywood remains subdued. Although there are reports of short-term price gains since the start of the year, prices remain at historically low levels. But there are signs that the trade is about to enter a new phase. A wide range of technical, political and environmental factors may combine in coming months to alter the dynamics of the trade. Indications are the Indonesian industry will feel the effects more than most. **Pages 1, 14**