

TROPICAL TIMBERS

an independent publication providing market information

Indonesia revokes concessions

Large areas of forest concession in Indonesia are being revoked under the country's anti-corruption campaign.

At the same time the system for allocating new timber rights is being completely overhauled. The measures are likely to have major long term implications for future timber supply and the management of Indonesia's forests.

In early July, the Indonesian government revoked eight forest concessions totaling 1.17 million hectares owned jointly by former president Suharto's children and their business associates as part of the nation's anticorruption, collusion and nepotism campaign. The government also announced that it would not renew 13 other forest concessions covering 1.36 million hectares when they expire next March. The revoked concessions included those owned by timber tycoon Mohamad "Bob" Hasan, whose business group Kalimantan Group is one of the nation's largest debtors.

Meanwhile, the administration has been developing new procedures to ensure the control of concessions is progressively transferred from big corporations to local authorities and co-operatives. A new regulation, currently awaiting presidential approval, will revise Government Regulation No. 21/1970 which awards timber companies the right to exploit the country's forests. Under the new regulation, concession leases will be extended from 20 years to 35 years to ensure consistent control throughout a full felling cycle. Companies wishing to extend their logging contracts will also have to give 20% of their shares to local cooperatives, 10% to companies owned by provincial administrations and 10% to state forestry firms. Timber companies would be obliged to increase co-operatives' stakes by 1% every year. This would give co-operatives a 55% stake at the end of the 35 year concession.

A major aim of the new regulation is to enlist local authorities in the promotion and enforcement of sustainable practices. As

shareholders, provincial administrations would have access to information on the volume of wood harvested each year, annual profits to the timber companies, and the value of local taxes payable. They would be better placed to promote sustainable practices by timber companies and secure forest areas from theft and looting.

The Indonesian government has also submitted a draft bill to the nation's House of Representatives to replace Indonesia's 1967 Basic Forest Law. The bill includes a range of measures to promote sustainable practices and introduces tough new penalties for malpractice in the forestry sector. The following provisions are included under the bill:

- Concession holders would be obliged to provide a performance bond or bank guarantee in an amount commensurate with the potential yield of each concession area in order to ensure that forest areas are managed in a sustainable manner.

- The law suspends the presumption of innocence when dealing with forest fires. Concession holders would be considered culpable for forest fires unless they provide evidence proving their innocence.

- Any parties found responsible for damaging forests or involvement in the illegal timber trade would be liable to a maximum penalty of 10 years imprisonment and a fine up to Rp 1 billion.

- The rights of local people living near forest concessions are itemised, including their participation in logging activities.

The draft bill has had its critics. A former forest minister and environmentalists are resisting passage of the bill, arguing that it focuses too much on forest exploitation and fails to adequately address forest preservation. However, legislator Umbu Mehang Kunda, who chairs the Government Commission for agriculture, forestry and plantations, transmigration and food affairs, has suggested the bill will be passed into law before the end of August.

The Indonesian government first began to award forest concessions to private companies under

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the 1970 Forestry Law, which grants concessionaires the sole right to cultivate and exploit forests in their concession areas. The existing concession system has been criticized for concentrating control of forest areas within a limited number of large business groups.

China

Oversupply as economy stalls

ITTO's Market News Service reports that China's total imports of tropical logs, sawnwood, veneer, and plywood increased in volume from 5.29 million m³ in 1997 to 5.45 million m³ in 1998.

However, the value of imports fell from US\$1.32 billion to US\$1.17 billion over the same period. Reasons for the decline in value include currency devaluation in SE Asia, and price reductions in forest products due to severe market downturn and tax reductions designed to boost exports in timber supplying countries.

There were some significant shifts in China's sources of wood supply during 1998. Malaysia increased its share of China's market for tropical logs while African log suppliers lost market share. Chinese imports of European beech, both in log and sawn form, have grown significantly. Another trend has been an increase in supplies from Russia. Chinese companies have bought large concessions in the Russian Far East from where they are importing raw logs for processing in China.

Imports into China maintained strong rates of growth during the first half of 1999. Imports have been boosted by felling restrictions introduced in areas of China in September 1998 and the cancellation of import duties on logs and sawn timber introduced in January 1999. Moves to liberalise the Chinese economy have allowed private trading companies to extend their activities into imports. Between January and April 1999, log imports into China increased 71% over the same period the previous year and imports of "converted lumber" increased 72%. Analysts suggest that growth in timber imports into China continued until the end of June.

However China now appears to be suffering from a bad case of indigestion. The timber market is faced with a glut of supplies as demand has failed to keep pace with the flood of imports. Prices have started to decline. This trend may also partly reflect the underlying state of China's economy. Reports are beginning to emerge of stalling growth. China is suffering

Private timber companies currently own rights to exploit 51.5 million hectares of the country's forests. The 6 state forestry companies - five PT Inhutani enterprises and Perum Perhutani - manage 4.9 million hectares. The government has already announced that it will not extend concessions into new areas of forest.

from falling corporate profits, weakening retail prices and swelling unemployment. Deflation is becoming a major problem. In part this has been due to China's policy of maintaining exchange rate parity with the US dollar. The strong Chinese currency has led to a flood of cheap imports, depressing prices. China's manufacturers are having difficulty competing with producers elsewhere in Asia. China has tried to fend off the deflationary pressure through public spending. To stimulate private sector investment, China's central bank has progressively reduced interest rates.

CHINA TROPICAL TIMBER IMPORTS			
Million m ³	% chg		
	1998	1997	97/98
Logs	2.59	2.81	-8
o.w. Africa	1.04	1.57	-34
o.w. Malaysia	0.96	0.73	32
o.w. Indonesia	0.09	-	-
Sawn	0.77	0.67	15
Veneer	0.49	0.43	14
Plywood	1.60	1.38	16

Source: ITTO Market News Service

If these measures prove inadequate, and so far they have failed to stem the slide, one other policy option is open to the Chinese authorities. They could devalue the yuan. Until recently, China has insisted that this is one measure it would not take. By maintaining the value of the yuan, China has won plaudits from the international community. It has provided a firm export market from other struggling Asian economies. The strong yuan also provides internal benefits to China's economy by ensuring that service charges for debts in foreign currencies are. However, China's authorities are now debating the merits of their "no devaluation" policy. Fears that devaluation would lead to another round of currency crises in Asia have subsided as economic conditions elsewhere have improved. Many analysts now believe that a gradual slide in China's currency would be beneficial.

Sabah

Illegal logging crackdown

News reports from Sabah suggest the state authorities are imposing a major crack down on illegal timber trading.

East Malaysia's English language newspaper, the Daily Express, reports that the Sabah police are assisting the State Government in curbing illegal logging and timber thefts. Sabah's Anti-Corruption Agency (ACA) has been involved in a number of raids on sawmills and Sabah Forestry Department Offices.

On June 28, the ACA Director-General announced that 411 logs worth RM500,000 illegally felled in the forests of Keningau had been seized by officers of the agency and the forestry department. ACA and Sabah state forestry personnel seized more logs worth RM776,000 during another series of raids in the same region in early July. ACA officers also raided Sabah Forestry Department offices in Sandakan, Tawau and Keningau in connection with log thefts. More recently 10 Indonesians were arrested in a raid by State Forestry personnel at the Sepilok Virgin Jungle Reserve. Forestry officials apprehended the suspects following the recovery of about 50 illegally felled logs in their possession. In another incident, the Sabah government announced a full-scale investigation into allegations of timber stolen from the Sabah Foundation concession area in Kalabakan. The Foundation had provided a detailed report of the theft involving the loss of more than 600 felled logs.

Increased export royalties

The Sabah Government has announced a 50% increase in the export royalty levied on high quality logs (Class C). The measure was due to become effective on 1 July. The export royalty on logs including Seraya and Selangan Batu would increase from RM100/m³ (US\$26) to RM150/m³ (US\$40). The move was expected to increase government revenue by RM15 million (US\$3.9 million) during 1999. Around 280,000 m³ of logs of Class C species should be exported between July and December. The export royalty on logs of Class D species, which are less popular on international markets, remains unchanged.

The measure was implemented on the advice of a government committee established to look at ways of raising State revenue. The decision reflects the Committee's view that Class C logs are of good quality and demand has tended to exceed supply. The Committee also noted that international log prices have risen considerably over recent months.

CHINA TIMBER IMPORTS: JANUARY TO APRIL

	1999	1998	% Change	1999	1998	% Change
	Volume	Volume		Value	Value	
	Mill. m ³	Mill. m ³		Mill. US\$	Mill. US\$	
Logs	2.64	1.54	71.5	347	219	58.6
"Converted timber"	0.70	0.40	72.6	165	83	99.4

Source: Pacific Rim Market Report, China Monthly Exports and Imports

INDICATIVE PRICES

Latest indicative prices available at time when preparing this report. All prices include agent's commission. Prices are subject to continuous variation and may vary in relation to volumes purchased, specification, port of shipment and quality of a particular shippers production. Specifications are given as a guide - in practice the details vary.

Logs

	May	June	July
Ex Cameroon Fr.F/m3 FOB Douala LM			
N°GOLLON			
70cm+20% 60/69	1400	1450	1450
BOSSE 60cm+	1550	1550	1550
AYOUS 70cm+	1000	1000	1000
BIBOLO 60cm+	1300	1350	1350
SAPELE			
80cm+20% 70/79	1550	1550	1550
SIPO			
80cm+20% 70/79	1900	1950	1950
IROKO			
80cm+20% 70/79	1650	1650	1650

	May	June	July
Ex Gabon Fr.F/m3 FOB Owendo LM			
ACAJOU			
70cm+20% 60/69	1250	1200	1300
DIBETOU 60cm+	1175	1175	1175
DOUKA			
70cm+15% 60/69	1150	1150	1150
SIPO			
70-79cm10%/60/69	1700	1700	1700
80-99cm	1900	1900	1900

Sawn Timber

	May	June	July
Ex Ghana DM/m3 FOB Takoradi			
FAS (includes notional agent's commission of 5%)			
6"+ avg 9" C/£	4014	4030	4126
6" + avg 9" DM/£	3.00	2.99	2.92
A.MAHOGANY AD	740	740	740
A.MAHOGANY KD	895	895	895
EMERI AD	760	760	760
UTILE KD	1150	1150	1150
ODUM AD	925	925	925
ODUM KD	1085	1085	1085
SAPELE KD	900	900	900
EDINAM AD	590	590	590
EDINAM KD	770	770	770
WALNUT AD	705	705	705
NIANGON AD	895	895	895
DANTA AD	680	680	680
DANTA KD	945	945	945
WAWA AD	430	430	430
WAWA KD	500	500	500
MAKORE AD	790	790	790
MAKORE KD	960	960	960

	May	June	July
Ex Cameroon Fr.F/m3 FOB			
FAS width 6"+, length 6"+			
SAPELE	2650	2650	2700
SIPO	3750	3750	3850
BIBILO	2750	2750	2800
N°GOLLON	3200	3200	3200
AFRORMOSIA	3800	3800	3800
IROKO	3375	3375	3375

	May	June	July
Ex Gabon FR.F/m3 FOB			
FAS width 6"+, length 6"+			
OKOUME AD	2000	2000	2000

	May	June	July
Ex Zaire Fr.F/m3 FOB			
FAS width 6"+, length 6"+			
SAPELE	2600	2600	2800
SIPO	3550	3550	3700
MAHOGANY	2950	2950	2500
AFRORMOSIA	3700	3700	3800
IROKO	3300	3300	3400

	May	June	July
Ex Cote d'Ivoire Fr.F/m3			
Fr.F/£	10.05	10.02	9.80
FOB Abidjan FAS			
6"+ avg 9"-10"			
6"+ avg 10"-11"			
1"-2"			
IROKO	3300	3350	3350
MAHOGANY	2700	2750	2750
FRAMIRE	2000	2000	2000
SAMBA No.1 C&S	1525	1525	1525
AZOBE dim. stock	2200/	2200/	2200
	2800	2800	2800
OPEPE dim. stock	1950/	1950/	1950
	2550	2550	2550

	May	June	July
Ex Malaysia US\$/ton, C&F UK port			
M\$/£	6.10	6.00	6.04
US/£	1.60	1.58	1.59
M\$/US\$	3.80	3.80	3.80
(Rates given for M\$ are official rates)			
DARK RED MERANTI (KILN DRIED)			
Select & better GMS			
width 6"+ avg 7"/8"			
length 8'+ avg 12'/14'			
1-2" KD	830	870	895
2.5" KD	860	900	920
3" KD	890	980	990

	May	June	July
KERUING			
Standard & Better GMS			
1"-3"			
width: random or fixed			
length 16'+	510	540	550
KAPUR			
Standard & Better GMS			
1"-3" plnd			
width 6"+ avg 7"-8"			
length 16'+	515	545	555

	May	June	July
TEAK (Official price list basis)			
FEQ/equivalent			
Boards: 6"+ avg 8", 6'+ avg 8'			
Shorts: 6"+, 3'/5.5' avg 4'			
Ex. Burma US\$ per ton of 50cu.ft.			
FOB Yangon (Rangoon)			
Boards 1" 8"x 8'	3890	3890	3890
Boards 1" 8"x 8'	2670	2670	2670
Teak from Singapore and Hong Kong nearer S\$3500 for 1" Boards, 1.5" US\$3550, 2" 3750, and US\$3850 for 2.5".			

	May	June	July
Ex Brazil US\$/m3 C&F			
FAS US\$/£	1.60	1.58	1.59
6"+ avg 9-10"			
6"+ avg 10-11"			
MAHOGANY (Swietenia)			
1"-2" AD	1120	1120	1150
2.5"-3" AD	1140	1140	1160
1"-2" KD	1210	1210	1220
2.5"-3" KD	1230	1230	1240
VIROLA			
1" KD No.1 C&B			
boards	400	400	380
strips	370	370	360
CEDRO			
1"-1.5" KD	720	720	700
2" KD	720	720	720
2.5"-3" KD	750	750	750

Hardwood Markets

Highlights

- Asian prices continue to firm
- Asian illegal logging crack-down
- Sapele demand and prices rising
- Mahogany season just starting
- Hard maple/cherry markets particularly firm

Asian Hardwoods

Far Eastern tropical hardwood prices continue to firm. Shippers are determined to push for higher prices as supplies remain tight and their confidence in a sustained increase in Far Eastern demand grows. In Europe, demand for DRM/Seraya from Holland and Germany is buoyant. Moves by shipping lines to increase freight rates in anticipation of a surge in demand for consumables in the run up to the millennium has also contributed to the firming trend.

European agents report that the new higher prices for DRM/Seraya are beginning to discourage orders, particularly as the gap between these prices and those for Sapele have widened. Dutch importers, so long wedded to Malaysia for supplies of 3" by 5" material for joinery applications, have been investigating the opportunities for obtaining this specification from cheaper African sources. Dutch importers are having particular difficulty obtaining supplies of heavier species, such as merbau, due to Malaysian restrictions on harvesting in highland areas.

Prices for keruing have followed the firming trend, but there is little willingness in Europe to buy at the higher rates.

Reasons cited for the tight supply situation in the Far East vary. Some shippers continue to blame the weather. Poor weather conditions earlier in the season will have contributed to very low inventories in many parts of the Far East. Other political factors have also been significant, notably the disruption caused by elections in Indonesia and Malaysia. Direct government intervention in the forest sector in major supplying countries have also tended to reduce levels of logging. Most states in Peninsular Malaysia have implemented tighter guidelines for the awarding of new logging areas this year. The new measures are said to be particularly stringent in Johor, Selangor and Pahang. In March of this year, Sabah's new forest Minister imposed a freeze on the issuance of new logging licences in response to controversy surrounding the potential environmental impact of one particular logging operation in the state. This measure was only withdrawn in July with the promise that in future there will be much stricter criteria for assessing the status of logging operators. There are now regular news reports emerging from Sabah of a government crack down to eradicate illegal logging practices in the State.

HARDWOOD MARKETS *Cont.*

A move by the Sabah state government to ease problems of log supply by allowing the import of logs from Indonesia has been unsuccessful. To date no Sabah importers have been able to take advantage of the measure due to the hefty "processing" fees required by the state authorities.

In Indonesia, the government has revoked 8 forest concessions totaling 1.17 million hectares and said it will not renew a further 13 concessions covering 1.36 million hectares under its anticorruption, collusion and nepotism campaign. There are reports of riots in Akeh province in Sumatra which have led to 136 dead and 230 injured. Some mills in the area are reported to have closed and to have pulled out equipment.

Turning to Asian log markets, these are characterised by very tight supplies and firm demand in many areas. In Sarawak, log production remains slow due partly to labour and machinery shortages after many logging operators reduced their workforce and equipment inventory last year. In Papua New Guinea log production is dropping again as the rainy season has arrived. Producers are trying to force up prices, encouraged by strong demand from the Philippines and China. Japanese importers have also been stocking up depleted inventories. By contrast, Korean importers are suffering from weak domestic consumption and are currently selling logs at prices well below import cost to dispose of stocks and improve cash flow.

African Hardwoods

Sapele prices are rising in response to increased demand in Europe and signs of tightening supply. Opinions differ over the rate and scale of change.

One contact suggested that Sapele prices had moved up "sharply", by around 100 to 150 FF, during July. One significant factor contributing to the firming trend was increased buying by Dutch importers who are now having difficulty obtaining adequate supplies of wood for joinery from the Far East. One Dutch owned company with sawmills in Africa reports that their Sapele production is already fully sold. It was also suggested that some Spanish importers, usually big buyers of Sapele, had come back into the market before the holiday season.

Other contacts are more cautious, noting that European demand for sapele is hardly buoyant. The Sapele market in the UK remains very quiet, while in Spain interest in the forward market is still limited. While shippers are pushing for higher prices, there is little chance of making these stick during the traditional summer lull. However, as Far Eastern prices have increased, and with signs that Europe's economy is slowly improving, most agents are optimistic of more significant price rises for Sapele from end August onwards.

Supplies for African species are expected to become increasingly tight over coming months. The rainy season has arrived with a vengeance

in West Africa. Production in Francophone African countries tends to slow down at this time of year as many ex-pat operators working for large European-owned companies leave on vacation. One agent also speculates that in order to generate foreign currency in the run up to the log export ban introduced on 1 July, some shippers in the Cameroon exported volumes of logs that would normally have gone for lumber. Cameroon's log export ban continues to create confusion. As one agent comments, "Cameroon have been planning this ban for 5 years, but when actually implemented, nobody knew what to do on 1 July. It is still a very grey area. News of the measures to be taken changes on a daily basis". Some contacts speculate that the ban will prove difficult to implement and that the Cameroon authorities may yet have to back-track. The ITTO Market News Service's version of events is that the government decree will apply to contracts signed after 18 June. Export contracts signed before June 18 may be settled without restriction until September 30 provided logs are already at port.

In Ghana, there are reports that supplies available to mills are lower now than at any other time for many years. This is partly owing to the rains, said to be the heaviest for at least 8 years. Long term factors are also affecting supplies, notably the governments efforts to cut annual log production from 2 million to 1.2 million m³ under Ghana's national commitment to sustainability. Log supplies now seem inadequate to supply Ghana's 130 mills and some fall out seems inevitable. Ghanaian suppliers are bullish over price, but in practice sales volumes remain low.

Past over-exploitation has meant that Ivory Coast is becoming less significant as a supplier, with only smaller sizes available and some mills trying to import logs.

The iroko market is characterised by tight supply and slow markets. Irish demand picked up a little during July, but demand in the UK is slow. Operations in the Congo (formerly Zaire) have restarted and are running again at reasonable capacity, with reports that the first shipments for some time are now on the water. There are hopes that the political situation will continue to stabilise with the signing in July of a peace treaty by President Kabila and the major African sponsors of the feuding factions. However the rebels have yet to sign, suggesting the war will simmer on in the eastern areas of the country.

South American Hardwoods

Prices for mahogany are firm and rising with continuing strong demand from the US. The mahogany logging season is just starting. The rain in the producing areas of Para state has now halted and logs are arriving at the mills. Stocks are low in the meantime. The first new season kiln dried material should be available in August. Exporters are still waiting for the Ministry of Environment to release quotas for the second half of 1999. IBAMA are reported to be very active in the bush monitoring logging and implementation of management plans.

USA TEMPERATE HARDWOODS
INDICATIVE PRICES
(North Appalachian)
US\$ CIF UK MBM KD square edged
net measure after kilning

	May	June	July
\$/£	1.61	1.58	1.59
RED OAK			
1"	1735	1775	1740
1.25"	1890	1940	1920
1.5"	1940	2090	2065
2"	2330	2400	2400
WHITE OAK			
1"	1575	1575	1545
1.25"	1780	1780	1745
1.5"	2170	2170	2125
2"	2655	2655	2625
ASH			
1"	1175	1175	1150
2"	1580	1580	1550
TULIPWOOD			
1"	1060	1060	1075
1.25"	1090	1090	1085
1.5"	1135	1135	1135
2"	1165	1165	1155
CHERRY			
1"	3160	3160	3105
1.25"	3225	3225	3160
1.5"	3335	3335	3370
2"	3570	3570	3500
HARD MAPLE			
1"	2155	2155	2270
1.25"	2200	2200	2250
1.5"	2425	2425	2600
2"	2635	2635	2800

Brazilian Cedar and Virola are readily available and prices for both remain steady. As Asian prices have increased over recent months, the differential between meranti and cedar has narrowed. However, prices for cedar may still be too high to encourage a significant increase in sales in the UK. Cedar can be used as an alternative to meranti, often providing wood of better quality, although specifications may be less attractive.

Weakening of the Brazilian *real* following devaluation has improved the competitive position of Brazilian exporters on international markets. However there has been a "lag period" since devaluation as Brazilian hardwood traders are only now reporting improved export shipments.

The trade between Brazil and the Far East, notably to the Philippines and Thailand, which ground to halt during the Asian economic crises last year, is now operating again at a level of around one shipment per month.

Around 80 to 85% of lumber production in the tropical regions of Brazil is for the domestic market. Tropical lumber prices to Brazilian domestic markets have firmed in response to current low stock levels. These prices will only begin to fall again after August when supplies become more readily available.

North American Hardwoods

Domestic demand in the United States remains buoyant. Housing starts are at a high level and the joinery and manufacturing sectors continue

HARDWOOD MARKETS *Cont.*

to operate at close to full capacity. Unusually, there has been little sign of a summer lull in demand this year.

US hardwood production has been high during 1999. Production is usually at its highest during the summer months but this year there are signs of slowdown, partly owing to a fall in demand from the paper industry for pulpwood and chips which has filtered through to the sawlog sector. The market is such that inventories have not always kept up with demand. *Hardwood Review Export* notes that some US producers are short on some key items. While green lumber is available for most species, kiln dried inventories are shortening. There could be a rapid turnaround to rising prices if domestic demand continues firm.

With demand in domestic markets so strong, US producers have less of an incentive to develop export business. Those that have remained committed to overseas markets are seeing a gradual improvement in prospects. Shipments to Asian destinations, with the exception of Taiwan, are significantly up on last year. Mexico, a major market for US red oak, is performing well in 1999. Europe remains a variable feast, with strong demand from Spain and Portugal contrasting with weaker and intensively competitive markets in Germany, Italy and the UK. The weakness of the euro in relation to the dollar is deterring European imports of US hardwoods in the short term, but also improves the competitive position of European manufacturers, encouraging growth in the longer term.

Demand for Cherry and Hard maple in US export markets is very firm. Higher grades and larger sizes are particularly difficult to find. US producers are reporting that they can effectively pick and choose who to sell to. French markets for cherry have slowed slightly.

Demand for Ash has also picked up over recent months, with shipments to the Far East much improved and significant demand from Spain and Portugal. UK demand has also picked up slightly.

Shipments of white oak from the Southern States, particularly to Spain and Portugal, have been good over recent months. Elsewhere markets remain highly competitive, although some niche markets for higher grades are doing reasonably well. Northern States inventories for the species are shortening.

Red oak prices are particularly dependent on domestic market conditions which continue firm, a situation which is expected to continue until at least the autumn. Demand for the species is strong in Mexico. Red oak markets in Europe are generally slow, although there has been some interest in higher grades and thicker sizes.

Tulipwood demand is reasonably firm, with growing sales to the Far East and continuing purchasing from Italy, the largest European importer of the species. Production has been lower than expected in some areas of the United States leading to longer lead times.

Demand for walnut has been on the increase in Spain and Portugal.

Plywood**Far Eastern prices stabilised**

Prices for Indonesian plywood into the UK have stabilised at around INDO96 less 10/12 for BB/CC grade, despite considerable supply constraints in the Far East and concerted efforts by Indonesian mills to push prices higher.

Indonesian supplies are tight and are likely to remain so. Last year's prolonged rainy season coupled with slowdowns during the June elections have meant a relatively short and disrupted logging season this year. With the next monsoon due in 2 to 3 months, there has been little opportunity to build up stocks heavily depleted during the economic chaos last year.

Supply conditions elsewhere in the Far East have been little better. In East Malaysia logging has also been severely disrupted by poor weather, politics, and efforts to redesign forest management systems. Sabah particularly faces a severe log shortage. Changes in government regulations allowing the export of logs from the State have meant that logs tend to be exported rather than bought by local mills. Large volumes now go for export to China, Japan and Korea, while Sabah's domestic plywood production capacity is progressively reduced.

Against this background, it is little wonder that Far Eastern plywood producers are bullish in their efforts to force an increase in plywood prices. For shippers selling to Europe, another factor arguing for price increases are freight rate increases of US\$600 per 40 foot container and US\$300 per 20 foot container due to be implemented over the coming months.

However, Asian shippers have run up against some fairly stubborn resistance to price rises from importers. In Europe, this resistance stems in part from patchy and competitive underlying demand, linked to the availability of more competitively priced material from elsewhere. Plywood is now available from Brazil at prices equivalent to around INDO96 less 17/18. One agent in the UK suggests that with prices like this on offer, coupled with Brazil's advantages of shorter sailing times, "a major shift to Brazil now seems inevitable". As volumes from Indonesia decline, shipping intervals from the Far East will tend to become longer, reinforcing

the shift to Brazil. Currency swings have also worked in Brazil's favour, with the *real* having stabilised at a comparatively weak 1.8 to the US dollar, while Asian currencies have strengthened consistently throughout 1999. Like Brazil, Guyana is also providing a source of relatively competitively priced plywood. Although Guyana is selling plywood primarily to the United States, it continues to maintain a low volume of sales into Europe.

UK plywood agents are reporting that the market is quiet, with many buyers absent on vacation. Many importers also built up stocks as the market climbed in the spring and have sufficient to meet levels of underlying demand. The underlying market remains highly competitive, with importers continuing to sell below replacement cost.

Japan's plywood market is still patchy so that wholesale prices remain flat. Importers still tend to buy only to satisfy short-term needs. However there is confidence that growth in housing starts during 1999 will lead to increased demand later in the year.

In China Indonesian plywood prices remain unchanged due to high stock holdings and slow demand. However, China is buying reasonable volumes of thin plywood for overlay with veneer. ITTO's Market News Service forecasts that the plywood market in China will remain sluggish and that prices will remain flat. It is also reported that Chinese plywood imports from Africa are running at quite high levels. African plywood is being offered to Chinese importers at competitive prices.

Plywood demand in Korea has been much improved during 1999 and this has resulted in increases in both domestic production and imports. Korean plywood production increased in May over the previous month, the fourth consecutive month of increase. Plywood production in May was also 14% up on the same month the previous year. Plywood arrivals between January and May 1999 reached 297,122 m³. However, growth in domestic demand stalled slightly in May as consumption remained unchanged from the previous month.

Finns develop tropical paper industry

Large Finnish corporations are leading the drive to develop paper producing industries in emerging markets. In pursuit of this aim, UPM-Kymmene has made an alliance with the Singapore-based Asia Pacific Resources International. The first outcome of the alliance has been the construction of a fine paper mill and stationery plant in China. The second stage, involving the building of two paper mills in Indonesia, has been delayed due to political and financial turmoil in the country. UPM Kymenne says the future of the operation depends on political stability in Indonesia. Another compant, StoraEnso, has plans for tropical pulp operations in northern Brazil. It

intends to build a pulp plant in co-operation with the Brazilian conglomerate Odebrecht. At present the development is on hold pending economic developments in Brazil.

The advantages of paper-makers operating in tropical regions are striking. About 600m cubic metres of wood are needed each year to meet global demand for virgin fibre-based pulp production of 150m tonnes. Based on the growth rate of Finnish forests this would require 200m hectares of forest, 10 times the present forested area of the country. However, with the faster growth rates of trees in Indonesia only 20m hectares are required, around 0.2 per cent of the current forested area.

Barriers to Trade

Environmentalism and the WTO

Environmental campaigners are becoming more vocal in arguing that world trade is already too free for the planet's good. Green groups object to the growing power of the World Trade Organisation (WTO) to override national laws to restrict imports on environmental or welfare grounds. Since 1995, the WTO has been asked to rule on several cases in which a WTO member has sought to restrict trade in a product for environmental reasons. In each case, WTO's dispute settlement panel has decided that the sanctions are in breach of international trade rules. In the most recent example, WTO ruled against a long-running EU ban on hormone treated beef (ie. most American meat).

To some extent the greens' objection to WTO stems from ambiguity in the rules governing trade and environment. One WTO rule allows countries to impose trade restrictions for environmental reasons. Article XX of GATT permits trade measures "*necessary to protect human, animal or plant life or health...or relating to the conservation of exhaustible natural resources if such measures are made in conjunction with restrictions on domestic production or consumption.*" On the other hand, other GATT principles and the Agreement on Technical Barriers to Trade place severe restrictions on the environmental measures allowed. GATT's "National Treatment" principle requires "like products" to be treated identically. This means that, with very few exceptions, countries cannot ban imports if they do not like the way they have been produced. If they could, there would be endless opportunities for protectionist jickery-pokery.

The greens argue that if WTO rules out all trade sanctions that discriminate between more or less environmental methods of production, then what chance is there of improving performance? Free traders respond that different areas of the world may be willing or able to tolerate varying levels of pollution depending on local conditions and differing priorities of local people. Imposing the same environmental rules on every country, backed by trade sanctions, would destroy the comparative advantage of many countries, especially in the developing world.

Implications for hardwood trade

These arguments clearly have direct implications for the hardwood trade. Legislation which imposes bans and boycotts on tropical timber is self evidently contrary to GATT's "National Treatment" principle. Handling the issue of forest management certification is not so clear cut. For example, under the Agreement on Technical Barriers to Trade, establishing requirements for eco-labelling is allowable as long as procedures are "transparent and non discriminatory". Requiring certification under ISO standards is generally regarded as acceptable under WTO rules. ISO's procedures

are transparent, while ISO's international scope (comprising institutions in over 100 countries) usually means that certification is a viable option for suppliers in most areas of the world.

The status of other certification systems, like the Forest Stewardship Council (FSC), is less certain. Because it's international framework is still underdeveloped, FSC may still discriminate against certain countries and producers. As things stand, there are FSC national working groups in around 20 countries. Most FSC accredited certifiers are based in Europe and North America. Furthermore, the systems of certification so far developed under FSC may discriminate against certain types of forest or forest owner. For example small non-industrial forest owners complain that FSC tends to favour large industrial owners.

To date, forest certification has not been an issue for WTO. Volumes of certified forest products traded remain small and there are still plenty of opportunities to sell non certified products. Furthermore buying companies commit to FSC certification voluntarily and are not required to do so by legislation. However, if European buyers become over-zealous in their pursuit of FSC certified wood, and as supplies begin to expand, WTO scrutiny will tend to increase. It will then be up to FSC to demonstrate that it can operate in a non discriminatory way. To achieve this, FSC's institutional framework may have to become wider and it will need to address the issue of small forest owners. It may also have to reduce the degree of centralised control over certifiers and instead recognise national accreditation bodies.

WTO and Environmentalists

Environmentalists would dearly love to see the WTO rules changed to allow importing countries to impose trade sanctions on countries they regard as environmentally irresponsible. There is, however, little enthusiasm amongst WTO members to change the rules. Efforts are being made to satisfy environmentalists in other ways. WTO is opening up it's procedures to environmentalists, allowing them, for example, to brief dispute settlement panels and attend hearings. WTO has acknowledged that all new trade agreements should be subject to environmental reviews. Renato Ruggiero, the out-going Director General of WTO, even suggested the creation of a World Environmental Organisation to counter-point the WTO.

Ultimately however, WTO's central role is to liberate trade. In handling environmental issues, it's aim will be to identify "win-win" solutions which serve to make trade freer and the planet cleaner at the same time. For example, minimum farm prices encourage farmers to produce too much, using more energy and more chemicals than they should. Such subsidies ensure that agricultural land uses appear more "profitable" than forestry uses, discouraging plantations and encouraging forest clearance. Speeding the

demise of these subsidies should please both free traders and environmentalists.

So far these arguments have failed to placate the greens. The debate looks set to hot up in the run up to the next series of WTO meetings in Seattle during November. WTO is scheduled to discuss a programme to rapidly lower wood tariffs across the board under an Accelerated Tariff Liberalisation Package. Last month, a broad coalition of environmental groups launched a campaign to derail the programme. They intend to hold a series protests before and during the WTO meetings in Seattle.

CITES

Mahogany proposal

At a recent CITES Plants Committee in Darwin, Australia, representatives of the U.S. Fish and Wildlife Service announced that they have been requested to again forward a proposal to list Big-Leaf Mahogany (*S. Macrophylla*) on Appendix II of the Convention on International Trade in Endangered Species. (CITES). The request originates from environmental groups the Rainforest Coalition, Friends of the Earth and Defenders of Wildlife. At present the FWS are undecided on the position they should take and have asked for comments. They have also contacted CITES authorities in the range states for their views and additional information.

The Darwin meeting was also marked by the release of a lengthy report from the World Conservation Monitoring Centre. The report, "Contribution to An Evaluation of Tree Species using the New CITES Listing Criteria", considers around 250 timber species against the CITES listing criteria. The UK based WCMC concludes that many of the species "qualify" for Appendix II listing. While not adopted by the CITES Plants Committee, committee members concluded that it was a "useful, though not all-inclusive reference". The Committee agreed that the report should be distributed to CITES authorities in each member nation.

International forest industry associations have campaigned against the listing of commercial timber species under CITES on the grounds that scientific information is often either incomplete or inaccurate, and that many proposals are politically motivated rather than based on an objective appraisal of conservation needs. They also argue that the use of a Convention that targets only international trade is of little value in reducing risks to tropical timber species threatened primarily by loss of habitat through forest clearance.

While listing of species on Appendix II is technically meant only to improve monitoring, in practice it can have an impact on the direction and size of trade. At the ITTO meeting in Thailand in May, a spokesman for ATIBT noted that listing on Appendix II implies "a lot of costly red tape, and enormous paper work for producers and exporters. Ports of destination (have) to be changed as in smaller ports, customs authorities are usually not organised and authorised to fulfill the necessary formalities."

Japan

Slide halted

If you believe Japan's official figures (which isn't always wise), Japan's economy grew at an annualised rate of 7.9% during the first quarter of 1999. While this figure seems ridiculously optimistic, most doubters would admit that, for now, Japan's slide has been halted. The first signs of growth in consumer spending are emerging while business sentiment is improving. The Bank of Japan's most recent quarterly TANKAN survey of business executives suggests that they are more confident of a future recovery and that most expected that restructuring will have a positive effect. Judging from the performance of the yen, foreign investors too seem thoroughly enamoured with the corporate restructuring story that Japan is peddling. The yen soared to such an extent during July that the Bank of Japan intervened in an effort to stabilise it at lower levels. The Japanese authorities worry that a strong yen would undermine export-led growth and upset the fragile recovery. There are other concerns,

JAPAN - LOG AND LUMBER IMPORTS FIRST QUARTER			
000m3	1999	1998	% chg 99/97
N.American Logs	1114	1047	+6.4
N. American Lumber	1094	998	+9.6
Russian Logs	1512	1088	+39.0
Russian Lumber	98	-	-
Southsea Logs	888	909	-2.3
Southsea Lumber	184	-	-

Source: Pacific Rim Market Report

including the impact of lower summer bonuses and the high levels of unemployment, both of which threaten consumer spending.

For the time being, the prospects for the timber trade look more healthy. Housing starts were up again in April by 1.1% from the same month in 1998, the second consecutive monthly rise. Wood starts were actually up 5.4% while non-wood starts declined by 2.6%. Southsea log arrivals were down by 2.3% during the first quarter of 1999 over the previous year, but increased markedly in the next two months. South Sea log arrivals in April were 46% higher than the same month the previous year. They then increased again, by 10.3% between April and May. Although the signs are encouraging, demand in Japan remains patchy. ITTO's Market News Service notes that after Japan's vacation period in May, purchases have been more limited, with importers buying only to satisfy immediate needs. Demand from plywood mills has also been slowing since May. Analysts are optimistic that rising housing starts will mean that demand picks up again in the Autumn.

African certification cont. from p 12

A similar message came across from Tom Barnes of Meyer International. A recent addition to the 1995+ Group, Meyer International now seem fully committed to the FSC concept. Their target is to ensure that 80% of timber products supplies are derived from FSC certified sources in 5 years. He suggested that, with Meyer International and increasing numbers of manufacturers and importers members of the 1995 Plus Group, "most timber entering this country will at some point pass through a member of a WWF Buyers' Group". Richard Burbidge, Director of the "largest supplier of decorative timber to the UK's retail sector", has for long been a high profile supporter of environmental initiatives in the UK. He noted that his company buys around 2000 m3 of sapele each year. Sapele has replaced Brazilian mahogany in the company's product range primarily for environmental reasons. He stressed that, because of the demands being placed on him by his customers, "ultimately our commitment to FSC is more important than our loyalty to Cameroon." However his company would continue to source from Cameroon if suppliers demonstrated genuine commitment to the long term goal of FSC certification. It was noted that demand for FSC certified wood from retailers and manufacturers currently exceeds supply. Companies like Richard Burbidge may be willing to pay a premium for certified raw material "where it is available in reliable commercial volumes", even though they wouldn't necessarily be able to pass the extra costs to their customers.

While it is apparent that demand for FSC certified wood in the UK is on the increase, the African producers remained sceptical of the benefits of FSC certification. This scepticism reflected their awareness that market demand for FSC certified wood is not assured. Other major European markets for Central African timber, notably France, Italy and Spain, have so far shown little interest in FSC certification. Certification is yet to have any impact on Asian markets. Even where there is interest in certification, steps are being taken to encourage the adoption of forms of certification other than the FSC which may be more cost effective. France's major retailers and importers have held

discussions with African producers encouraging more extensive adoption of ISO14001.

In commenting on market demand, Roger Foteu, Technical co-ordinator of the Cameroonian national certification working group, noted that "the market for certified wood is small and the consumer is generally not willing to pay. For many companies certification is still more of a cost than a benefit". Parfait Mimbimi, President of Cameroon's National Certification Working Group, stressed that producers in Central Africa still have "major fears" of certification. Many fear that the Europeans driving the process don't understand the links between trade, environment and development. In particular, the need for countries with rapidly expanding populations and lack of finance to develop forests as a source of income. Many African producers still see certification as just another way to boycott tropical timber.

Nevertheless Central African countries have made a start with certification. Mr Mimbimi said that an expert seminar was held in February to introduce producers to the FSC principles, and members of the Working Group attended the FSC General Assembly meeting in Mexico during June. However, certification cannot work without first evolving effective national forest policies and legislation. Mr Mimbimi stressed that "ten years is a realistic timescale for widespread adoption of certification".

The seminar highlighted the gulf that continues to exist between European retailers with their talk of certification as a "communications device", and African producers struggling to develop sustainable forestry systems against a background of political and financial insecurity. But at least the debate over certification is bringing African producers and retailers face to face for the first time. And this is happening in the company of the environmental groups that have done so much to damage western markets for tropical timbers. Mutual understanding is increasing. In summing up, the WWF Belgium representative said "I beg you not to turn away from tropical timber. Nor should we demand that all timber should be FSC certified tomorrow. However it is necessary to ensure that there is progress towards sustainable forest management. We need to find a middle way."

Ghana

New system to allocate timber rights

Ghana's Minister of Lands and Forestry launched a \$90 million Natural Resource Management Programme during July. Guidelines for the protection and sustainable management of Ghana's natural resources will be developed through the 10 year programme funded by the World Bank, the European Union and the governments of Ghana, UK, Denmark, and the Netherlands.

The Ministry of Lands and Forestry has also inaugurated a new Timber Rights Evaluation Committee under the Forestry Commission. The Committee will evaluate applications for timber

rights and make recommendations to the Commission for the award of Timber Utilisation Contracts (TUC). Under Ghanaian law, applicants for TUCs must be ranked on merit through a competitive process. The Ghanaian government has been refraining from allocating new concession leases since 1992. Inauguration of the Committee opens the way for the reallocation of timber rights to significant areas of forest both on and off reserve where concessions have lapsed. The TUC system replaces a temporary system of ad hoc logging permits controlled by the Forestry Department.

Spain

Bouyant economy boosts imports

Spain's hardwood imports increased considerably during 1998. Imports of tropical logs and sawn increased by 27% and 33% respectively over the previous year. Imports of oak logs and sawn also increased by 11% and 30% respectively. Imports of beech logs increased by 30%, while imports of sawn beech saw a slight decline of 7%.

A buoyant economy and vigorous construction sector has increased demand for hardwoods. The Economist's July Poll of Forecasters suggests that Spain's economy will grow by around 3.4% during 1999. Growth in new housing is projected at around 8% this year following on from similar levels last year. Spain's entry into European Monetary Union has contributed to the boom, ensuring the lowest interest rates for many years and providing currency stability. Spain generally looks to Africa for her supplies of tropical hardwoods and sawn. Both log and sawn exports from Africa increased substantially during 1998 over the previous year. Low prices for African hardwoods in the wake of the Asian crises coupled with strong demand both contributed to this trend. Cameroon and Equatorial Guinea have consistently been major suppliers of tropical logs to Spain during the 1990s. Ivory Coast was a major supplier of logs until 1996, but has now dropped out of the picture due to tight government controls on log exports. Spain has therefore looked to alternative countries for log supplies, notably Gabon and the CAR. Spanish importers also trialed log supplies from Liberia during 1998. Since the early 1990s, Spain's imports of

tropical sawnwood from Cameroon and Ivory Coast have increased consistently. Imports from Cameroon have risen from only 69,000 m3 in 1993 to 167,000m3 last year. Over the same time period, sawnwood imports from Ivory Coast increased from 63,000 m3 to 140,000 m3. With particularly firm demand in Spain, sawnwood imports from other African countries also increased substantially during 1998, notably from the Central African Republic and Congo. Since 1994, Spain has been buying relatively large volumes of tropical hardwoods from Brazil. Volumes increased from only 4000 m3 in 1993 to nearly 100,000 m3 in 1998. The increasing volume coincides with Brazil's efforts to market a wider range of non-mahogany species. Spain has become a large importer of Brazilian jatoba for example. Imports of most temperate sawnwood products increased during 1998 over 1997 levels. Only sawn beech saw a slight decline, with imports from France being particularly hard hit. One reason is likely to be the price hikes for European sawn beech in response to firm demand for the species in China. The decrease in Spanish imports of sawn beech also coincides with a significant increase in imports of unprocessed beech logs.

Spanish imports of US hardwoods, mainly white oak, increased slightly during 1998 over the previous year. While significant, these gains will have been tempered by the relative strength of the US dollar and by growing competition from competitively priced European supplies both from Western and Eastern Europe.

SPAIN: TEMPERATE IMPORTS

SELECTED HARDWOODS			
	1997	1998	% Chg 97/98
Beech Logs (m3)	121,369	157,805	30
o.w. France	104,677	136,214	30
Oak Logs (m3)	113,935	127,020	11
o.w. France	98,079	101,293	3
Beech Sawn (m3)	188,765	175,381	-7
o.w. Germany	77,334	92,848	20
o.w. France	62,625	56,549	-10
o.w. Romania	3,089	5,195	68
Oak Sawn (m3)	176,945	194,021	10
o.w. US	141,042	143,986	2
Total US Hardwoods	148,937	160,258	8

VENEER & PLYWOOD IMPORTS

VENEER & PLYWOOD IMPORTS			
tons	1997	1998	% Chg 97/98
Veneer	41584	55252	33
o.w. Temperate	16130	19777	23
o.w. Tropical	25454	35475	39
Plywood	25574	27190	6
o.w. Temperate	17488	19204	10
o.w. Tropical	8086	7986	-1

Source: EUWID based on AEIM, Madrid

Veneer imports from both tropical and temperate regions increased considerably during 1998 over the previous year. There are reports that this is at least partly due to manufacturers switching away from solid lumber in favour of veneered panels to cut costs.

Recent reports suggest continuing strong growth in many sectors during 1999. Spain's hardwood flooring market is booming, particularly in the North (southern regions prefer marble and ceramics). The furniture sector remains buoyant despite a slowdown in European export markets due to weak growth in Germany and Italy and the Russian economic crises. Hardwood importers are reported to be cautiously optimistic that strong market conditions will prevail for at least the next 2 years.

SPAIN: TROPICAL HARDWOOD IMPORTS

	Logs			Sawn		
	1997	1998	% chg 97/98	1997	1998	% chg 97/98
Cameroon	150,547	183,166	22	131671	167654	27
Ivory Coast	4,803	1,244	-74	122614	138157	13
Central African Republic	13,046	22,409	72	21021	34031	62
Congo	5,248	3,486	-34	10403	18477	78
Ghana	-	-	0	7944	6391	-20
Gabon	24368	39,808	63	2476	4352	76
Equatorial Guinea	50,755	52581	4	905	412	-54
Liberia	-	6,840	-	-	-	-
Nigeria	350	16	-95	-	-	-
Republic of Congo	49	221	351	2010	351	-83
Other Africa	1463	4,078	179	224	1775	692
All Africa	250,629	313,849	25	299,268	371,600	24
India	-	-	-	189	123	-35
Indonesia	-	-	-	708	4839	583
Malaysia	-	-	-	590	260	-56
China	-	-	-	161	43	-73
Philippines	433	-	-	-	-	-
Singapore	18	-	-	-	-	-
Other Asia	73	306	319	128	128	0
All Asia	524	306	-42	1776	5393	204
Brazil	-	-	-	56523	95560	69
Chile	-	-	-	1737	2812	62
Paraguay	-	-	-	909	1145	26
Ecuador	-	-	-	399	305	-24
Nicaragua	-	-	-	602	668	11
Bolivia	-	-	-	254	111	-56
Argentina	-	-	-	427	140	-67
Other America	-	-	-	2700	5385	99
All America	0	0	-	63,551	106,126	67
All Europe	7602	13395	76	3526	6069	72
Total	258,755	327,550	27	368,121	489,188	33

Source: EUWID based on AEIM, Madrid

Russia

Hardwood Tax

Siberian timber producers are appealing against a hardwood export tax imposed by the Russian Federation on 4 January. They believe the 10% tax on exports of logs, lumber and mouldings of oak, ash and beech could slow down efforts to privatise the industry. The tax was imposed by the Ministry of Economy following last year's devaluation of the rouble which the Ministry claims created a windfall profit for timber businesses. The tax is imposed specifically on hardwoods because these give a higher return on international markets than comparable softwood products.

The government insists that hardwood producers can afford the new levy, pointing out that Russian producers will also benefit from cuts in import duties on timber processing machinery, together with increases on import taxes for timber products, including furniture. In an effort to reduce and control the number of companies exporting hardwood products, Russia's Federal Government introduced in February new licensing requirements for all hardwood products subject to the export tariff.

Forest certification

WWF make plea for tropical wood

A representative of the WWF made a plea to members of the UK's 1995 Plus Groups "not to turn away from tropical timbers" during a seminar held at Richard Burbidge Ltd in Oswestry, UK on 16 June. The plea came at the end of a meeting between Central African forestry officials and members of the WWF Buyers' Group and other UK timber traders. The meeting was arranged by WWF Belgium as part of their EU-sponsored project to develop forest certification capacity in Cameroon, Gabon and the Central African Republic. The aim was to bridge the gap existing between African producers and those demanding certified products in the UK.

Much of the meeting involved members of the WWF Buyers Group seeking to persuade the Africans of the value of FSC certification. Catherine Graham, the WWF Buyers Group representative, stressed that UK demand for certification is on the increase. The Group has 90 members with a total turnover in wood products of £3 billion, representing around 20% of total UK consumption. 53 members of the Group are already trading in FSC certified products. Around 5% of the wood products traded within the group are FSC certified.

The strength of commitment to FSC by members of the Group was stressed by George White of Sainsbury's, a leading UK retailer. While recognising that "FSC is not perfect", Mr White noted that the certification scheme is providing a focus for environmental improvement in the forest products sector. Mr White acknowledged that "forestry was not a big issue for the shopper", but said there is relatively more interest amongst the young who are the "customers of the future". While Sainsbury's remained "100% committed to FSC certification", Mr White was willing to make concessions to countries that may find the process technically challenging. Sainsbury's were not expecting all their suppliers to be certified tomorrow, but were determined to work with producers that saw certification "as an opportunity rather than a threat" and who are working constructively towards the final goal of FSC certification. Mr White rejected the idea that certified forest products should be supplied for niche markets willing to pay a premium. As far as Sainsbury's were concerned, independent certification would eventually be a requirement for all their timber products supplies, irrespective of price premiums.

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Continued page 10

SHARE PRICES FOR SOME U.K. COMPANIES

	52 Week High	52 Week Low	29 Mar	29 Apr	28 May	22 June	27 July
J. Latham	201.5	141.5	141.5	156.5	173.5	181.5	178.5
Meyer International	487.5	244	399.5	449.5	461.5	431.0	418.5
Travis Perkins	755.0	350	522.5	652.5	665.0	709.0	755.0
Barratt Devs.	397.5	155.5	296.5	360.0	321.5	375.0	343.5
John Laing	396.5	230.5	296.5	318.5	320.0	319.5	335.0
Alfred McAlpine	236.5	106.5	171.0	230.0	218.0	211.5	221.0
J. Mowlem	154.5	90.0	118.0	153.0	144.0	145.0	136.0
George Wimpey	182.5	90.5	153.5	161.5	159.0	157.5	153.0
Cornwell Parker	155.0	52.5	85.0	117.5	101.5	110.0	96.5

EXCHANGE RATES FOR ONE POUND STERLING

		29 Apr	28 May	29 June	27 July
Australia	Aus.\$	2.4440	2.4508	2.4090	2.4682
Bangladesh	Taka	78.1103	77.7165	76.6204	78.6135
Belgium	Belgian Fr.	61.3745	61.8187	3.1596	60.2859
Belize	B\$	3.2227	3.2048	3.1596	3.1763
Bolivia	Boliviano	9.2169	9.1978	9.0839	9.2113
Botswana	Pula	7.4411	7.5746	7.3241	7.3833
Brazil	Real	2.6837	2.7802	2.7868	2.8841
Fr. Africa*	CFA Fr.	998.0	1005.22	1002.45	980.30
Chile	Peso	784.324	790.865	818.258	817.659
China	Yuan	13.3410	13.2656	13.0785	13.1451
Denmark	Danish Krone	11.3067	11.3862	11.3556	11.1248
Europe	Euro	1.5214	1.5325	1.5283	1.4945
France	Franc	9.98	10.0522	10.0245	9.8030
Germany	D-mark	2.9757	2.9972	2.9890	2.9229
Ghana	Cedi	3932.50	4014.01	4030.08	4126.03
Guyana	Guyanese \$	273.284	256.384	273.305	274.750
Hong Kong	HK\$	12.4883	12.4258	12.2563	12.3265
India	Rupee	68.9699	68.7750	68.5081	68.7828
Indonesia	Rupiah	13172.81	13039.55	10553.07	11117.06
Irish Republic	Punt	1.1983	1.2069	1.2036	1.1770
Italy	Lira	2945.91	2967.23	2959.05	2893.66
Japan	Yen	191.952	193.602	191.116	184.885
Kenya	K. Shilling	109.33	112.97	115.21	117.44
Korea South	Won	1894.14	1900.20	1828.22	1910.54
Malaysia	Ringgit	6.1231	6.0891	6.0033	6.0350
Myanmar	Kyat	10.0737	10.0177	9.8764	9.9287
Netherlands	Guilder	3.3528	3.3771	3.3678	3.2934
Nigeria	Naira	150.983	155.457	159.063	160.133
Philippines	Peso	61.271	60.971	59.9535	60.8262
Portugal	Escudo	305.02	307.228	306.381	299.61
Singapore	Singapore \$	2.7337	2.7637	2.6901	2.6793
South Africa	Rand	9.7648	9.9950	9.5366	9.7293
Spain	Peseta	253.145	254.977	254.275	248.66
Taiwan	\$	52.6783	52.4706	51.0197	51.2417
Tanzania	Shilling	1139.23	1129.69	1145.36	1278.47
Thailand	Baht	60.2242	59.5212	58.2236	59.1983
Uganda	New Shilling	2449.26	2299.45	2294.66	2318.70
U.S.A	US \$	1.6114	1.6024	1.5798	1.5882
Venezuala	Bolivar	952.316	958.836	956.577	973.695
Vietnam	Dong	22411.46	22297.40	22005.04	22153.11
Zimbabwe	\$	61.4892	61.1316	59.9535	60.9057

*Cameroon, CAR, Congo, Gabon & Cote d'Ivoire

SUBSCRIPTIONS

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