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Ghana's added-value pays off

Preliminary data for Ghanaian timber exports reveal that while timber export volumes declined by around 6% during 1998, the value of exports was maintained.

During a year when export prices for tropical hardwoods were hit by the Asian crises, the data confirms that Ghana's policy of moving to higher value products is paying off. Ghana's export volume of air dried lumber fell by 17.1% during 1998, and exports of boules declined by 11.6%. However kiln dried lumber exports were maintained at around 129,000 m³ and export volumes of sliced and rotary veneer increased by 7.1% and 45% respectively. Ghana's Timber Export Development Board project that the trend towards value added products will increase during 1999.

Wawa was the major export species during 1998 accounting for around 160,000m³ including both kiln dried and air dried lumber and mouldings. Iroko was the second largest export accounting for around 38,000 m³. Major importing countries were Germany, France, Italy and the UK. Ghana produced around 33,000 m³ of sliced veneer and 50,000 m³ of rotary veneer during 1998. Sliced veneers were mainly of asanfina (aniegre) supplied to Italy, Spain, and Germany. Around 37,000 m³ of rotary veneer consisted of ceiba. The US was the largest buyer of rotary veneer importing around 17,000 m³. Other buyers included Tunisia, Italy, Egypt and France.

Ghana's plywood industry, primarily using ceiba, had a bad year in 1998, exports declining by around 55% over 1997 levels. The industry was hit by falling prices for Asian plywood. The biggest export market for Ghanaian plywood was Israel taking around 3000 m³, followed by Belgium, Australia and Greece.

To further encourage value-added processing, Ghana's Ministry of Lands and Forestry has launched a "Wood Sector Development Project" in co-operation with the European Union. The project aims to promote processing in Ghana by improving the technical, marketing and managerial skills of selected firms. The project also aims to support the restructuring of Ghana's forest resource by providing financial incentives to firms using Lesser Known Species (LKS). It will include subsidies for the processing of LKS, such as provision of one off capital grants of US\$23,000 for the installation of kiln drying capacity; and the development of improved training facilities in Ghana.

Ghana is also focusing on the green market. The EU and Dutch Governments have issued a grant to Ghana towards the costs of developing their forest management certification scheme. A major part of the grant will go towards the establishment of a computer based system to monitor the chain of custody of timber products from forest to the final end-user. A pilot test of the system will begin in March 1999 and is expected to be evaluated by October this year.

US exports cool off

US hardwood exports are a relatively small, but increasingly significant component of the US hardwood trade.

In 1997, US hardwood lumber production amounted to around 30 million m³, of which slightly less than 10% (around 2.9 million m³) were exported. 1997 was a record year for US hardwood exports. Given the strength of US domestic markets and the weakness of most Asian and some European markets a fall in US hardwood exports of around 14.68% (by value) in 1998 seems relatively modest. Valued at around US\$1,222 million, US hardwood exports during 1998 exceeded 1996 levels.

The largest US hardwood export market is Canada, importing just over US\$300 million in 1998, 9% less than 1997. The US other neighbour, Mexico, is providing an expanding

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GHANA FOREST PRODUCTS EXPORTS

	Volume (000s m ³)				Value (US\$ million)			
	1997	1998	1999	97-98	1997	1998	1999	97-98
	(a)	(b)	(c)	(c)	(a)	(b)	(c)	(c)
Lumber (KD)	127.4	129.0	130.0	1.3	41.8	46.0	46.8	10.0
Lumber (AD)	142.4	118.0	120.0	-17.1	52.0	44.6	45.0	-14.2
Sliced Veneer	30.8	33.0	40.0	7.1	26.0	30.0	36.4	15.2
Rotary Veneer	34.5	50.0	68.0	44.9	9.9	14.5	20.4	47.1
Boules	47.5	42.0	54.6	-11.6	12.9	11.4	15.0	-11.9
Mouldings	13.0	14.6	16.0	12.3	6.2	6.5	7.0	4.6
Plywood	25.6	11.7	9.6	-54.3	9.0	3.9	3.4	-56.7
Other	20.9	17.7	11.8	-15.3	12.7	14.1	14.5	11.4
Total	442.1	416.0	450.0	-5.9	170.5	171.0	188.5	0.3

Notes: a) Preliminary data; b) Projected data; c) % change year on year

Source: EUWID, Ghana TEDB, ATIBT

STATISTICS IN THIS ISSUE

U.K. IMPORTS

logs, sawn, plywood, veneers
sleepers, blockboard

Outside E.C.

November & December 1998

Intra E.C.

October & November 1998

US HARDWOOD EXPORTS

lumber by country & region

Years 1997 & 1998

GHANAIAN HARDWOOD EXPORTS

Principal forest products

Years 1997, 1998, 1999 (Projected)

FRENCH HARDWOOD IMPORTS

logs and sawn

Years 1997 & 1998

GERMAN HARDWOOD IMPORTS

logs and sawn

January to September 1997 & 1998

ITALIAN HARDWOOD IMPORTS

logs and sawn

January to November 1997 & 1998

• Tropical Timbers, editor: Rupert Oliver

• Market and Environmental Information for the Forest Products Industry

Enquiries: The Editor, Tropical Timbers,
19 Raikeswood Drive, Skipton,
North Yorkshire BD23 1NA
Tel/Fax: (44) (0) 1756 796992

United States - Continued

market for US hardwoods. Exports to countries outside North America declined overall during 1998, the major fall-off being attributable to the financial crises in Asia. Recent trends in overseas export markets are summarised below.

Europe: The performance of US hardwoods in Europe during 1998 was mixed. During the first six months of the year, exports were down only 3.5% over the previous year. However, export

US HARDWOOD LUMBER EXPORTS			
	1997	1998	%Chg
BY REGION			
World	1431699	1221575	-14.68
EU	557082	514552	-7.63
N. America	400759	383806	-4.23
Japan	138675	71535	-48.42
China/HK	73382	66582	-9.27
Asean Region	47377	40950	-13.57
Middle East	29807	28617	-3.99
Sub-Sah. Africa	24385	14752	-39.50
Non EU W. Eur.	11744	10943	-6.82
Oc/Pacific	10724	9235	-13.88
North Africa	4653	5123	10.10
Caribbean Is.	4889	4567	-6.59
S. America	1160	3726	221.21
E. Eur (Exc FSU)	3717	2621	-29.49
C. America	2309	2586	12.00
Former USSR	88	511	480.68
South Asia	228	398	74.56
BY COUNTRY			
Canada	334241	303649	-9.15
Italy	110421	95600	-13.42
United Kingdom	89835	88249	-1.77
Spain	76942	86744	12.74
Mexico	66519	80157	20.50
Germany	109067	73693	-32.43
Japan	138675	71535	-48.42
Hong Kong	56479	52626	-6.82
Bel-Lux	52778	51780	-1.89
Taiwan	61755	44340	-28.20
France	26843	26735	-0.40
Portugal	11623	19358	66.55
Netherlands	26711	19066	-28.62
Thailand	22151	16930	-23.57
South Korea	58964	16661	-71.74
Denmark	15837	15639	-1.25
South Africa	24083	14428	-40.09
Sweden	12661	14349	13.33
China	16904	13956	-17.44
Saudi Arabia	10143	11582	14.19
Ireland	9647	10195	5.68
Malaysia	6248	9354	49.71
Australia	9935	8559	-13.85
Greece	7066	8214	16.25
Indonesia	8774	8195	-6.60
Norway	8132	5970	-26.59
Egypt	4514	4813	6.62
Israel	4599	4590	-0.20
Singapore	6767	4313	-36.26
Finland	7026	4046	-42.41
United Arab Em.	6039	3860	-36.08
Lebanon	3907	3692	-5.50
Rest of World	26413	28697	8.65

Source: *Hardwood Review Export/US Customs*

performance deteriorated more markedly during the second half of 1998. Exports were down by over 7.5% for the full year.

Major declines were recorded in exports to Italy (down 13.5%) and Germany (down 32.5%). Economic conditions in both countries have been difficult due partly to the economic crises in Asia and Russia. Fears of economic mismanagement by Germany's, now departed, socialist Finance Minister, contributed to a collapse in business and consumer confidence. Competition from both East and Western Europe, particularly from European beech, has also intensified. Difficult market conditions in these countries have only partly been compensated by gains in Spain and Portugal. Exports to the United Kingdom, France and Belgium/Luxemburg kept pace with 1997 levels.

Economic uncertainty is contributing to the relative weakness of the euro against the dollar, a factor that will tend to discourage US hardwoods and give domestic and Eastern European producers an edge. However most forecasters are predicting continuing economic growth in Europe as a whole during 1999. The *Economist* poll of polls for March suggests growth in the Euro-11 of around 2.1% during 1999 compared with 2.5% in 1998.

Early indications in 1999 are that, while opportunities exist, trading conditions in Europe will continue to be highly competitive. Manufacturers in Spain and Portugal are still buying significant quantities of US lumber, although there is pressure from European beech producers and from Asian and African hardwoods. Economic indicators suggest that growth will be slow in the UK during 1999, which is undermining confidence. Competition within a generally sluggish market is intense.

Far East: The value of US hardwood lumber exports to the Far East plummeted during 1998 as much of the region descended into recession. Imports into Japan, Taiwan, Thailand and Korea fell respectively by 48%, 28%, 24% and 72%. US sales to Asia are expected to remain well below historic levels well into 1999. This is due to several factors including low demand, credit restructuring, a strong US dollar, and lack of consumer spending power and confidence. Japan's economy is forecast to shrink by around 0.8% during 1999. Housing starts dropped below 1.2 million during 1999 and are expected to reach only 1.265 million in 1999 despite a lowering of the mortgage rate to just 2% and measures to relax the eligibility requirements for support to low income home buyers.

Hardwood demand in South Korea remains weak due to a sluggish construction sector, high unemployment and weak consumer spending. Korea's housing starts were down 50% through to October 1999 while the jobless rate is currently running at record levels of around 9%. However, economists are forecasting a return to growth during 1999.

US exports to China in 1998 and Hong Kong were down respectively 17.5% and 7% on the previous year. Exports to China were down only 9% over the first six months of 1998, suggest-

ing a further weakening of demand during the second half of the year. While economic growth and strong demand for wood have been a feature of China's economy during 1998, US hardwoods exports have come under pressure from European beech. The relative strength of the dollar in relation to Asian currencies has also tended to weaken US competitive position. Prospects for increased wood exports to China during 1999 have improved with recent government moves to deregulate the country's timber importing sector and reduce import tariffs on lumber from 3% to zero. Economic growth in China during 1999 is expected to be maintained at 1998 levels of 7 to 8%.

According to *Hardwood Review Export*, many US exporters expect a busier year in the Far East and are reporting that orders are already improving. With lower interest rates, a more stable currency climate, and increased public spending in many Far Eastern countries during 1999, the prospects certainly look brighter. Tightening European beech supplies are also opening up opportunities for US exporters.

Changing structure of the industry: As global export markets have weakened and become more competitive, buyers have become increasingly demanding in terms of delivery times, technical specifications and payment conditions. *Hardwood Review Export* reports that the US hardwood industry is adapting in various ways. Some of the smaller producers that are unable to provide the sorting and selection of lumber required by overseas buyers are simply withdrawing from the export business altogether and focusing on domestic markets. An increasing number of exporters are establishing landed inventory programmes. This is in part a response to importers operating a purchasing strategy combining maintenance of very low inventories with increased dependence on fill-ins from landed stocks. In addition, exporters are focusing more on shipments of fixed width, fixed length and lumber selected for specific customer requirements and less on sales of standard lengths and randoms.

Greens push certified wood for millennium

Greenpeace and Friends of the Earth have launched a campaign aimed at UK architects in to promote FSC certified wood products. A report in the UK Journal Building Design, notes that the details of the campaign are currently "secret" but may involve direct action against the use of uncertified, primarily tropical hardwoods at various high profile Millennium projects. The report notes that environmentalists using these tactics in France have forced specifiers for Millennium projects to discriminate against tropical wood in favour of temperate hardwoods, including oak. Due to lack of FSC certified wood, some specifiers are even considering use of non wood products, including aluminium, in place of the uncertified product

INDICATIVE PRICES

Latest indicative prices available at time when preparing this report. 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

	Jan	Feb	Mar
Ex Cameroon Fr.F/m3 FOB Douala LM			
N°GOLLON			
70cm+20% 60/69	1350	1350	1400
BOSSE 60cm+	1550	1550	1550
AYOUS 70cm+	1000	1000	1000
BIBOLO 60cm+	1375	1375	1350
SAPELE			
80cm+20% 70/79	1650	1650	1650
SIPO			
80cm+20% 70/79	1900	1900	1900
IROKO			
80cm+20% 70/79	1650	1650	1650

	Jan	Feb	Mar
Ex Gabon Fr.F/m3 FOB Owendo LM			
ACAJOU			
70cm+20% 60/69	1175	1175	1200
DIBETOU 60cm+	1175	1175	1175
DOUKA			
70cm+15% 60/69	1150	1150	1100
SIPO			
70-79cm10%/60/69	1700	1700	1700
80-99cm	1900	1900	1900

Sawn Timber

	Jan	Feb	Mar
Ex Ghana DM/m3 FOB Takoradi			
FAS (includes notional agent's commission of 5%)			
6"+ avg 9" C/£	3868	3805	3914
6' + avg 9' DM/£	2.83	2.85	2.95
A.MAHOGANY AD	800	740	740
A.MAHOGANY KD	960	895	895
EMERI AD	760	760	760
UTILE KD	1220	1150	1150
ODUM AD	990	950	950
ODUM KD	1150	1110	1110
SAPELE KD	950	900	900
EDINAM AD	700	590	590
EDINAM KD	880	770	770
WALNUT AD	705	705	705
NIANGON AD	895	895	895
DANTA AD	680	680	680
DANTA KD	945	945	945
WAWA AD	450	430	430
WAWA KD	515	500	500
MAKORE AD	790	790	790
MAKORE KD	960	960	960

	Jan	Feb	Mar
Ex Cameroon Fr.F/m3 FOB			
FAS width 6"+, length 6'+			
SAPELE	2850	2600	2600
SIPO	3680	3680	3700
BIBILO	2850	2750	2700
N°GOLLON	3200	3200	3200
AFRORMOSIA	3650	3650	3800
IROKO	3400	3300	3300

	Jan	Feb	Mar
Ex Gabon FR.F/m3 FOB			
FAS width 6"+, length 6'+			
OKOUME AD	2000	1900	1950

	Jan	Feb	Mar
Ex Zaire Fr.F/m3 FOB			
FAS width 6"+, length 6'+			
SAPELE	2800	2550	2550
SIPO	3500	3500	3500
MAHOGANY	2950	2950	2950
AFRORMOSIA	3550	3550	3700
IROKO	3300	3200	3200

	Jan	Feb	Mar
Ex Cote d'Ivoire Fr.F/m3			
Fr.F/£	9.49	9.53	9.91
FOB Abidjan FAS			
6"+ avg 9"-10"			
6'+ avg 10'-11'			
1"-2"			
IROKO	3275	3275	3275
SIPO	3550	3550	3550
MAHOGANY	2700	2650	2650
FRAMIRE	2000	2000	2000
SAMBA No.1 C&S	1525	1525	1525
AZOBE dim. stock	2100/	2100/	2100/
	2700	2700	2700
OPEPE dim. stock	1850/	1850/	1850/
	2450	2450	2450

	Jan	Feb	Mar
Ex Malaysia US\$/ton, C&F UK port			
M\$/£	6.24	6.09	6.15
US/£	1.64	1.60	1.62
M\$/US\$	3.80	3.80	3.80
(Rates given for M\$ are official rates)			
DARK RED SERAYA/MERANTI			
Select & better GMS			
width 6"+ avg 7"/8"			
length 8'+ avg 12'/14'			
1-2" KD	770	770	795
2.5" KD	795	795	810
3" KD	825	825	850

	Jan	Feb	Mar
KERUING			
Standard & Better GMS			
1"-3"			
width: random or fixed			
length 16'+	490	490	495
KAPUR			
Standard & Better GMS			
1"-3" plnd			
width 6"+ avg 7"-8"			
length 16'+	500	500	500

	Jan	Feb	Mar
TEAK (Official price list basis)			
FEQ/equivalent			
Boards: 6"+ avg 8", 6'+ avg 8'			
Shorts: 6"+, 3'x5.5' 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".			

	Jan	Feb	Mar
Ex Brazil US\$/m3 C&F			
FAS US\$/£	1.64	1.60	1.62
6"+ avg 9-10"			
6'+ avg 10-11'			
MAHOGANY (Swietenia)			
1"-2" AD	1100	1100	1100
2.5"-3" AD	1120	1120	1120
1"-2" KD	1190	1190	1190
2.5"-3" KD	1210	1210	1210
VIROLA			
1" KD No.1 C&B			
boards	400	400	400
strips	370	370	370
CEDRO			
1"-1.5" KD	720	720	720
2" KD	720	720	720
2.5"-3" KD	750	750	750

Hardwood Markets

- Asian price rises sustained
- Japanese rebuild stocks
- Europeans reluctant to buy sapele
- More activity in Far East for US exporters
- White oak markets weaken
- Uncertain market prospects in Europe

Asian Hardwoods

The weather in areas of the Far East remains poor and sawmills have little or no log supplies. While the rain continues to inhibit logging operations in West Malaysia, other factors are playing their part to disrupt log supplies in East Malaysia and Indonesia. In Sabah, log inventories hit bottom during the rainy season and the Muslim and Chinese holidays during January and February. Efforts to begin logging in the drier weather were further delayed by elections in early March. Logging is now delayed by the Sabah Forestry Department's efforts to introduce a new system of felling coups. This move is linked to the State's commitment to the ITTO sustainability guidelines and it's efforts to broaden the practice of reduced impact logging.

Shippers remain bullish and are pushing up prices, although stocks are so low that few have any wood to sell. Contacts with Far Eastern producers suggest that they would be able to sell significant quantities in mainland Europe immediately if only supplies were available. With Far Eastern supplies so constrained and delayed contracts agreed at lower prices several months ago only just arriving in the UK, setting a figure for current prices is difficult. Prices for 2" DRM from West Malaysia are being quoted at around US\$790 to US\$800/ton for April/May shipment, increasing to US\$830 for June/July shipment. Prices for Seraya from East Malaysia are even higher reflecting generally better quality. Log shortages and price rises affect species across the board.

Demand for logs and sawn is at last beginning to pick up in Japan where importers are taking steps to rebuild depleted stocks. Government measures to stimulate the economy may also serve to boost demand during the year. Japan has announced a series of measures designed to alleviate record high joblessness and stimulate demand. The aim is to create 770,000 new jobs in areas ranging from multimedia to care for the elderly. A series of measures providing incentives to build new homes are designed to create around 400,000 jobs in the construction sector. Japan's unemployment rate for January remained at a record high of 4.4 percent for the third month in a row.

Greater optimism is also being expressed over the prospects for the Korean economy. The Korean won is now around 1,150 won to the US dollar, compared with 1,900 at the height of the crisis. Reserves have risen from nearly zero to close to US\$50 billion.

HARDWOOD MARKETS Cont.

ITTO's Market News Service reports that Papua New Guinea log prices have begun to firm for the first time since the worst of the Asian crisis. Gains of US\$1 to US\$2 per cubic metre per month have been recorded. The average shipment price was US\$74 in January compared to US\$72 in December. Export volumes to Japan and Korea are also improving, although buyer demand is cautious. Export log volume in January is expected to be at 210,000 Cu.m, up from 203,000 in December.

African Hardwoods

After a desperately slow start to the year, some contacts are reporting a growing level of enquiries for African hardwoods. However levels of activity are insufficient to ensure rising prices for most species and grades. The balance of African trade continues to heavily favour buyers. The mills are looking for work to maintain cash flow and are accepting contracts at low prices.

As Far Eastern prices are rising and sapele prices have plummeted, the price differential between the two species is narrowing rapidly. However, most European importers continue to hold off buying sapele, and there has been no rebound in prices for the African species.

The current state of the sapele market is a source of particular disappointment for the trade. Until last year, producers were confident that sapele was no longer being traded as a commodity, prone to the vagaries of price fluctuations and shifting demands, and that a stable long term market for the species had been established amongst European manufacturers. But with falling prices since the start of the current logging season, confidence in the sapele trade has suffered. Agents worry that importers are too keen to sell the species at low prices to gain market share with little apparent concern for the longer term prospects for trade in the species. Current sapele prices cannot be sustained in the long term as producers are already selling at below break-even point. Many Cameroon producers are only selling at these levels to maintain cash flow. Cash flow problems are particularly pronounced owing to the government's failure to reimburse VAT. There are reports of individual mills being owed between CFA Fr 1 billion and CFR Fr 3 billion. There is speculation that European importers may be holding off purchases of sawn sapele in expectation that the Cameroon log ban to be imposed on an unknown list of species will lead to a flood of cheap sawn material onto the international market after 30 June. However this may be reading too much into a situation primarily caused by continuing high stocks of the species in Spain and the UK and an unwillingness on the part of importers to commit forward in a falling market. The continuing reluctance of Spanish buyers, who have a reputation for holding off buying until the market reaches bottom, is a particular cause for concern. On a brighter note, there are reports that the Portuguese are moving to buy the species.

Iroko prices remain stable with low demand matched by limited supply. The Irish market, which absorbed significant quantities of the species during 1998, has weakened temporarily. A large number of contracts booked at the end of last year and early this year have arrived at once, flooding the market. The situation is regarded as temporary. Irish importers are expecting continued firm demand for the species throughout 1999.

Small volumes of wawa are being sold in various parts of the world including the UK, Germany, Italy and South Africa, but supplies are ample and prices remain weak.

Ivory Coast is expected to ban the export of air dried shipments later in the year and shift entirely to exports of kiln dried and specialised products. Production in the Ivory Coast is reported to be low this year, hence prices remain stable despite slow demand.

Production in the Democratic Republic of Congo, are being severely disrupted by the war. President Kabila's government has confiscated industry stocks and sold quantities onto Portugal "as the industry's contribution to the war effort".

Supplies from Congo (Brazzaville) and the Central African Republic, relatively small players in the overall African supply situation, continue to flow through the port of Douala in the Cameroon. The Government of Congo (Brazzaville) suspended the export of Okoume logs on 11 January this year.

Gabon's state timber company SNBG has threatened to withdraw timber quotas from forestry companies if they continue to refuse to deliver wood to the company. Forestry operators are only free to export logs from Gabon after delivering a set volume to SNBG which holds a monopoly over traditional markets in Europe, Morocco, Turkey and Israel. However forestry operators have refused to supply timber to SNBG as they do not believe they will be paid by the debt ridden company. The larger forestry operators unwillingness to co-operate with SNBG has meant that the company is having difficulty supplying traditional markets.

Gabonese timber company Leroy Gabon has made 140 workers redundant, having temporarily laid them off in July-September 1998. The move reflects the company's desire to restructure in the face of changing market demands. Leroy Gabon is a subsidiary of German company Isoroy. It is one of the six large timber companies operating in Gabon and represents 7% of total log production.

South American Hardwoods

Brazil's rainy season is particularly heavy and longer than expected this year. Many companies are running low on log stocks. Significant volumes of logs will only become available from late April onwards.

UK agents are reporting little or no new business for Brazilian mahogany. The stocks of the species that built up in Belem at the end of last year have now been shipped out, with large volumes exported to the United States.

ITTO's Market News Service reports that Asian

USA TEMPERATE HARDWOODS INDICATIVE PRICES (North Appalachian) US\$ CIF UK MBM KD square edged net measure after kilning			
	Jan	Feb	Mar
\$/£	1.64	1.60	1.62
RED OAK			
1"	1850	1770	1770
1.25"	1950	1875	1875
1.5"	2030	1980	1980
2"	2280	2325	2325
WHITE OAK			
1"	1675	1600	1500
1.25"	1730	1700	1650
1.5"	2100	2085	2050
2"	2670	2605	2550
ASH			
1"	1215	1175	1150
2"	1545	1500	1475
TULIPWOOD			
1"	1080	1080	1050
1.25"	1100	1105	1085
1.5"	1160	1160	1130
2"	1250	1190	1160
CHERRY			
1"	3350	3100	3050
1.25"	3350	3155	3155
1.5"	3400	3285	3285
2"	3550	3490	3490
HARD MAPLE			
1"	2030	2210	2150
1.25"	2395	2285	2285
1.5"	2475	2425	2425
2"	2610	2635	2635

countries are again turning to Brazilian suppliers. Asian importers have contracted for "substantial volumes of sawnwood, veneers and some value added products." Brazilian prices are being maintained despite devaluation of the real due to lack of log supply linked with continuing firm demand from the US, new orders from Asia and expectations of higher Brazilian inflation. Freight rates are also increasing to the United States as lower Brazilian imports have reduced container availability. An increase of US\$500 is reported for a 40' container to US destinations.

The president of IBAMA, Eduardo Martins, has resigned. No decision has yet been taken on the structure of a new Forestry Agency to replace IBAMA. Discussions are on-going.

Brazil's economic woes are intense. In the short term, the Brazilian government is relying heavily on monetary policy to prop up its flagging economy. Interest rates were recently increased to around 40%. The real has hit very low levels, touching 2.10 against the dollar at one point, a 75% devaluation. Nevertheless there are signs that the stock market is recovering and that levels of foreign investment are improving.

With weak domestic markets, Brazilian producers will be looking to expand export markets when new supplies materialise.

ABIMCI and AIMEX are promoting the IV International Congress on Plywood and Tropical Timber and the III International Exhibition of Tropical Timber Products and Equipment to be held in Belem during October.

HARDWOOD MARKETS *Cont.***North American Hardwoods**

Hardwood Review Export reports that US export sales to Europe during the early months of 1999 have been "fair", but that the market is still not strong. Substantial volumes of US hardwoods continue to be shipped overseas, but due to intense competition, exporters are still having difficulty generating significant returns on many species. Shipments of dimension stock are doing well, while sales of random width and length lumber are getting smaller. The Far East is at last beginning to show signs of life, particularly Korea. Japan is also waking up, but US exporters have been troubled by news that the largest hardwood importer in Japan has gone bankrupt over recent weeks.

US hardwood production has been at relative high levels throughout the winter, assisted by extremely good weather. To some extent, high production has been compensated by strong domestic markets. However *Hardwood Review Export* notes that for many producers, green inventories have grown higher in recent weeks. This is blamed on lack of low-grade lumber sales.

US domestic demand for red oak, particularly for the thicker sizes has led to rising prices. Export demand in the thicker sizes is also reasonably firm. However overseas inquiries for 4/4 red oak have been quite slow.

Large stocks of white oak, primarily an export item and particularly popular in Europe, can build up fairly quickly in the absence of firm overseas demand. The market for white oak is described as competitive and generally poor. While significant volumes continue to be sold, it is difficult to make a profit on the species. Those involved in producing dimension and other specialized products are enjoying better business.

UK agents are also reporting that prices for 1" white oak are weakening due to wide availability and weak export demand. This is making life uncomfortable for exporters who are seeing the value of stocks progressively undermined.

Prices for Cherry remain firm with demand strong and supplies limited. *Hardwood Review Export* notes that while European markets remain firm, these markets are "not nearly as hectic as the North American market". Some log prices for the species are at record levels. Restrictions in the Allegheny National Forest harvest in response to environmentalist concerns have also acted as a brake on supplies. Uncertainty remains over how long and how severe reductions in harvests from the National Forest will be. The matter is currently being considered in the courts. It appears that initial challenges to the ruling have not gone the environmentalists way, raising expectations that cherry harvests may resume next year. However the matter is unlikely to be resolved for another 12 months.

Markets for hard maple have a split personality. Demand for the higher grades is strong while the lower grades are difficult to sell. Despite hard maple production being at a seasonal high

in many areas, shortages in supply for the higher grades is pushing up prices. Prices for Hard maple are also being boosted as European beech, a major competitor for the species, have tightened over the winter months.

Demand for ash continues weak everywhere and prices are extremely low. Future price levels for the species hinge heavily on a major return to the market by the Japanese, formerly major buyers of the species. There are some reports of Japan buying again and paying good prices for top quality material, but volumes are so low as to have had little effect on overall price levels.

UK and European Demand

Continuing uncertainty over the prospects for UK demand has meant that importers are cautious about committing to the forward market. However, some agents are reporting that the UK market for Asian hardwoods has been reasonably busy as importers are at last taking steps to rebuild low stocks. Increased activity reflects rising Far Eastern prices. Importers generally prefer to buy on a rising market to prevent stock devaluation. However, there is little evidence that underlying UK demand has increased and competition at importer level is intense. Falling prices for sapele are deterring UK importers from buying the species.

In the longer term some agents are predicting that the UK may enter a period of short stocks for tropical redwoods later in the year. Supplies are very restricted from the Far East, while African supplies of Sapele are not so plentiful that they would satisfy an appreciable upturn in demand. Agents are also anticipating that shippers in the Cameroon, already selling at below break even point, will soon cut back production in response to disappointing demand. Agents claim that importers could be caught short if there is even a slight pick-up in demand during the Spring.

The Dutch market for tropical woods is active. As is usual, the Dutch are willing to pay high prices for their very specific sizes and quality requirements and are looking for supplies of Meranti and Seraya from the larger mills in the Far East. The strength of Dutch demand for Far Eastern hardwoods is another factor seen as ensuring a continuing rise in prices for these species even as supplies loosen up at the end of the rainy season.

Belgium demand for tropical redwood is reported to have started firm during the early part of 1999 with appreciable activity in the joinery sector.

European demand for N. American woods is mixed. Overall UK demand is said to be fair, but competition is intense and the market is reliant on Just-in-time deliveries. *Hardwood Review Export* reports that business in Scandinavia is reasonable; French manufacturers are quiet; while Spain and Portugal are buying a fair amount of lumber, principally white oak. The German market for white oak has slowed. The Italian market is now so competitive that many shippers are declining to participate.

UK Joinery**Unspectacular demand....**

TTJ Timber and Wood Products reports that an unspectacular level of demand, coupled with a high level of competition has meant a poor start to 1999 for many in the UK joinery sector. Intense competition has fueled price cutting by the major players.

While most agree that prices are being cut to the bone, manufacturers views on underlying demand vary. One manufacturer notes that there has been a "steady if unspectacular start to 1999 for windows". Others are more upbeat, reporting increased orders and expecting a buoyant 1999. There are reports of particularly strong prospects for new demand from housing associations and local authorities. A decent amount of firm business is also expected in the office fitting and leisure complex sector, although some contacts suggest the hotel and retail markets have been less healthy of late.

....but good news for wood windows

In the window sector, the report highlights the gathering pace of the trend towards fully glazed and fully-finished products, and stresses that customers are always looking for higher levels of service. Encouraging news is growing evidence of a shift away from PVCu towards timber. One TTJ contact points to the example of a housing association in the Birmingham area which used PVCu for some years but which recently switched to timber in more than 80 of its houses. The British Woodworking Federation (BWF) is particularly upbeat, noting that in terms of competition from PVCu, the environmental pendulum is swinging in favour of wood. BWF say that most window customers now feel comfortable with the idea that the wood used for this application comes from well managed forests.

Products the market wants

Winning the environmental argument is only part of the story. Timber window manufacturers are also taking steps to develop products the market wants. For some time the PVC industry has gained an edge over timber, notably in the replacement window sector, by its ability to market complete factory-finished units with a long term guarantee. Through its Timber Window Accreditation Scheme (TWAS), now covering around 60% of all timber windows sold in the UK, BWF aims to ensure that timber manufacturers offer equivalent service. To be accredited under TWAS, manufacturers must obtain warranties from component suppliers and be certified to a quality assurance standard. Their manufacturing operation is subject to inspection by BWF. BWF is developing the scheme to allow TWAS registered manufacturers to provide 10 year guarantees for their products. To bring this about, window manufacturers are working together with glaziers, treatment specialists, paint and weather sealant suppliers.

UK Imports

Statistics are based on official figures of HM Customs and Excise. We try to amend anomalies, but it is not always possible to identify them. The imports of tropical wood apparently coming from continental Europe may include goods transhipped through a continental port. Boules and forms of square edged stock may be included under 'logs'. Where species are shown as coming from a source where it is known they do not occur, then it is assumed that the wood is wrongly identified and it is classified under "others" for that country. Major inconsistencies between volumes, weights and values are reconciled by estimates based on previous performance and marked 'E'.

From countries outside the E.C.

UK IMPORTS SAWN TROPICAL

Classifications: 440724.90.0, 440725.60.0, 440725.80.0, 440726.70.0, 440726.80.0, 440729.61.0, 440729.69.0, 440729.99.0, 440799.98.0

m3	Nov 1998	Dec 1998	Cum. 1998
BOLIVIA	105		587
BRAZIL	961	1030	12820
BURMA	126		303
CAMEROON	1724	1128	20905
CONGO		94	233
COSTA RICA			13
ECUADOR	27		45
GABON	63		191
GHANA	2938	1863	27121
GUINEA		77	77
GUYANA	114	787	6433
HONDURAS			28
INDIA	6	3	71
INDONESIA	339	433	3620
IVORY COAST	753	1484	15927
M'GASCAR			74
MALAYSIA	4301	4154	56904
MEXICO			33
NIGERIA		17	388
PAPUA N.G.	28		445
PERU		36	147
PHILIPPINES	79		612
SIERRA LEONE		82	82
SINGAPORE	85	122	2385
SOL. ISLANDS			16
SOUTH KOREA			55
TANZANIA	55		268
THAILAND	30		268
TRIN. & TOB.			30
ZAIRE			322
TOTAL	11734	11310	150403

UK IMPORTS SLEEPERS

Treated & Untreated

Classifications: 440610.00.0, 440690.00.0

m3	Nov 1998	Dec 1998	Cum. 1998
AUSTRALIA	814	495	7934
CZECH REP.			33
NIGERIA			36
POLAND			18
RUSSIA			50
SLOVAKIA	35		74
TOTAL	849	495	8145

New format

Next month's Tropical Timbers will include an improved presentation of UK statistics and a review of 1998 imports

UK IMPORTS LOGS TROPICAL

Classifications: 440341.00.0, 440349.10.0, 440349.20.0, 440349.30.0, 440349.40.0, 440349.50.0, 440349.60.0, 440349.70.0, 440349.90.0, 440399.99.0

m3	Nov 1998	Dec 1998	Cum. 1998
BURMA			30
CAMEROON	1728	1595	31843
CONGO			239
ECUADOR			27
EQ. GUINEA			157
GABON	244	52	4092
INDONESIA	33	49	301
LIBERIA			345
MALAYSIA	125	651	4102
MOZAMBIQUE			64
NIGERIA	19	201	925
PAPUA N.G.			87
SINGAPORE			130
TANZANIA			18
TOTAL	2149	2548	42360

UK IMPORTS LOGS

TEMPERATE HARDWOOD

Classifications: 440391.00.0, 440392.00.0, 440399.10.0, 440399.20.0, 440399.30.0, 440399.50.0, 440399.99.0

m3	Nov 1998	Dec 1998	Cum. 1998
BEECH			
CANADA			7
ROMANIA	54	82	596
SERB. & MONT.			30
BIRCH			
CANADA			324
ESTONIA	278	957	11808
LATVIA	840	623	6826
LITHUANIA			34
POLAND			688
RUSSIA		205	909
CHESTNUT			
CZECH REP.			43
EUCALYPTUS			
AUSTRALIA			1
OAK			
CANADA			26
CZECH REP.			1
POLAND		2	2
RUSSIA			119
POPLAR			
CZECH REP.			19
LATVIA		119	119
USA			39
OTHER			
AUSTRALIA	36	127	249
CANADA	190	48	2650
CZECH REP.			14
ESTONIA*	3079	2192	35301
FRANCE			17
LATVIA*	212	2829	43171
LITHUANIA			173
NORWAY			172
POLAND		13	356
RUSSIA		75	2743
S. AFRICA	52	25	286
USA	1100	856	14130
TOTAL	5841	8153	120853

*May contain softwoods

UK IMPORTS SAWN TEMPERATE

Classifications: 440791.90.0, 440792.90.0, 440799.91.0, 440799.93.0, 440799.98.0

m3	Nov 1998	Dec 1998	Cum. 1998
BEECH			
CANADA		25	156
CZECH REP.	30		30
JAPAN			11
POLAND			66
ROMANIA	41	43	753
RUSSIA			55
SERB. & MONT.		22	139
SLOVAKIA			71
USA			209
OAK			
CANADA	454	356	5599
CZECH REP.			29
ESTONIA	1256	657	3686
HONDURAS			28
ICELAND			115
LATVIA	111		197
LITHUANIA		31	227
POLAND			26
RUSSIA	23		269
SERB. & MONT.			22
SLOVAKIA	40		317
UKRAINE	52	27	370
USA	4328	2329	57143
POPLAR			
CANADA			345
LATVIA	869	18	3387
LITHUANIA			39
RUSSIA			56
USA	830	537	8457
WALNUT			
CANADA	30	2	542
USA	85	28	1076
OTHER			
AUSTRALIA	2	26	373
CANADA	1523	1612	15431
CHILE			167
CHINA		116	363
ESTONIA*	1522	1362	13439
LATVIA*	7822	6149	79236
LITHUANIA			168
NORWAY			717
POLAND			98
RUSSIA	294	25	1983
S. AFRICA	21		454
USA	2766	2923	42392
TOTAL	22099	16288	238241

* May contain softwood

UK IMPORTS BLOCKBOARD,

LAMINBOARD, BATTENBOARD

Classifications: 441222.91.0, 441229.20.0, 441292.91.0, 441299.20.0

m3	Nov 1998	Dec 1998	Cum. 1998
BRAZIL	86	146	2414
CHINA			123
CZECH REP.			40
DUBAI			101
INDONESIA	1448	506	18908
LATVIA		39	192
LITHUANIA	41		211
MALAYSIA	97		687
NORWAY	40		150
POLAND			180
SINGAPORE			2
SWITZERLAND			16
USA	2		353
TOTAL	1714	691	23377

Based on Abacus Data Services

UK IMPORTS PLYWOOD & OTHER
LAMINATED BOARD

Classifications: 441213.11.0, 441213.19.0,
441213.90.0, 441214.00.0, 441219.00.0,
441222.99.0, 441229.80.0, 441292.99.0,
441299.80.0

m3	Nov 1998	Dec 1998	Cum. 1998
ARGENTINA			8
BELARUS			329
BRAZIL	6735	8684	136725
CANADA	3494	2368	54410
CHILE	1703	2546	16013
CHINA	382	221	5326
ESTONIA	264	185	5226
GHANA			280
GUYANA	2413	46	5757
HONG KONG	36		1838
HUNGARY			3
INDIA	246	10	259
INDONESIA	22515	17861	199268
ISRAEL	160	156	1605
IVORY COAST		16	16
JAPAN			61
LATVIA	2302	1909	31330
LITHUANIA	909	643	10920
MALAYSIA	17996	8223	156640
MOROCCO	71	306	1089
NORWAY	418	180	3307
PHILIPPINES			155
POLAND	117	125	2059
ROMANIA			11
RUSSIA	6183	5488	93453
SINGAPORE	68		657
SLOVENIA	96	24	607
SOUTH KOREA	2112	396	22280
SPAIN			65
SWITZERLAND			403
TAIWAN			7
THAILAND		145	1186
USA	1263	96	203410
ZIMBABWE		86	86
TOTAL	69483	49714	954789

UK IMPORTS VENEERS

Classifications: 440831.11.0, 440831.21.0,
440831.25.0, 440831.30.0, 440839.11.0,
440839.21.0, 440839.25.0, 440839.31.0,
440839.35.0, 440839.51.0, 440839.61.0,
440839.65.0, 440839.81.0, 440839.89.0,
440839.91.0, 440839.99.0, 440890.81.0,
440890.89.0

m3	Nov 1998	Dec 1998	Cum. 1998
AUSTRALIA			2
BRAZIL			48
CAMEROON			99
CANADA	114	45	1014
CHINA	3		31
CONGO		42	228
DOM. REP			25
ESTONIA	30	110	261
GHANA	313	230	3093
HUNGARY			65
INDIA		7	7
INDONESIA	43		256
ITALY		4	4
IVORY COAST	32	15	230
LATVIA	327	67	1628
MALAYSIA	25		160
RUSSIA	65		543
S. AFRICA	47	121	2007
SINGAPORE		72	138
SLOVENIA	8	12	328
SWITZERLAND	52	10	530
THAILAND	48		474
USA	986	793	10784
ZAIRE	110	288	2025
TOTAL	2203	1816	23980

UK imports from
within the E.C.

HM Customs & Excise data for trade within the E.U is
subject to delay. Because of new methods of statistical col-
lection returns remain incomplete. Statistics are recorded
as received and may be corrected subsequently (C).

INTRA E.C. UK IMPORTS HARDWOOD LOGS

Classifications: 440341.00.0, 440349.10.0,
440349.20.0, 440349.30.0, 440349.40.0,
440349.50.0, 440349.60.0, 440349.70.0,
440349.90.0, 440399.99.0

m3	Oct 1998	Nov 1998	Cum. 1998
BEECH			
DENMARK	26	45	35
FRANCE		44	266
GERMANY		86	170
SWEDEN			21
BIRCH			
FINLAND		37	C77
CHESTNUT			
FRANCE		37	39
OAK			
GERMANY			17
BELGIUM			230
DENMARK			7
IRELAND	6		6
OTHER			
BELGIUM			C170
DENMARK			107
FINLAND	176	575	4489
FRANCE	5	71	C729
GERMANY		34	C1535
IRELAND	4	15	C152
ITALY	145		145
NETHERLANDS	80	104	459
SPAIN			122
SWEDEN		367	7718
TOTAL	442	1415	C16794

INTRA E.C. UK IMPORTS PLYWOOD

Classifications: 441213.11.0, 441213.19.0,
441213.90.0, 441214.00.0, 441219.00.0,
441222.99.0, 441229.80.0, 441292.99.0,
441299.80.0

m3	Oct 1998	Nov 1998	Cum. 1998
AUSTRIA			29
BELGIUM	1544	1208	C12113
DENMARK	101	34	881
FINLAND	7327	4936	C64718
FRANCE	1386	600	C20734
GERMANY	336	405	6673
IRELAND	39	1	C1836
ITALY	1044	518	C8559
NETHERLANDS	66	79	1115
SPAIN	443	396	C4503
SWEDEN	686	287	C5851
TOTAL	12972	8464	C127012

INTRA E.C. UK IMPORTS BLOCKBOARD,
LAMINBOARD, BATTENBOARD

Classifications: 441222.91.0, 441229.20.0,
441292.91.0, 441299.20.0

m3	Oct 1998	Nov 1998	Cum. 1998
BELGIUM			C107
DENMARK			334
FINLAND	249	347	C4454
FRANCE			36
GERMANY	97	333	1188
IRELAND			23
ITALY	101	10	460
NETHERLANDS			C1349
SWEDEN			373
TOTAL	447	690	C8324

INTRA E.C. UK IMPORTS

SAWN HARDWOOD

Classifications: 440724.90.0, 440725.60.0,
440725.80.0, 440726.70.0, 440726.80.0,
440729.61.0, 440729.69.0, 440729.99.0,
440799.98.0

m3	Oct 1998	Nov 1998	Cum. 1998
BEECH			
AUSTRIA	30		30
BELGIUM	244	114	C1018
DENMARK	387	282	C2747
FINLAND			66
FRANCE	143	84	C1249
GERMANY	2495	2055	C31118
ITALY			43
NETHERLANDS			145
SWEDEN			35
OAK			
BELGIUM		18	C37
FINLAND			97
FRANCE	568	490	C6241
GERMANY	213	29	C1951
IRELAND		90	C163
NETHERLANDS	1	7	C538
WALNUT			
FRANCE	7		9
IRELAND			1
OTHER			
BELGIUM	221	299	C4643
DENMARK			C421
FINLAND	188	817	C5045
FRANCE	205	124	C3391
GERMANY	352	357	C8136
IRELAND	239	281	C1730
NETHERLANDS	699	1026	C11145
SPAIN	190	125	C1990
SWEDEN	2383	2154	C24069
TOTAL	8535	8352	C106028

INTRA E.C. UK IMPORTS VENEERS

Classifications: 440831.11.0, 440831.21.0,
440831.25.0, 440831.30.0, 440839.11.0,
440839.21.0, 440839.25.0, 440839.31.0,
440839.35.0, 440839.51.0, 440839.61.0,
440839.65.0, 440839.81.0, 440839.89.0,
440839.91.0, 440839.99.0, 440890.81.0,
440890.89.0

m3	Oct 1998	Nov 1998	Cum. 1998
BELGIUM	217	150	C1959
DENMARK	41	59	C666
FINLAND	14	70	320
FRANCE	88	177	C1536
GERMANY	306	522	C3923
IRELAND			C482
ITALY	16	15	245
NETHERLANDS	8	27	C337
PORTUGAL			C45
SPAIN			C50
SWEDEN	12		134
TOTAL	702	1020	C9697

INTRA E.C. UK IMPORTS

SLEEPERS TREATED & UNTREATED

Classifications: 440610.00.0, 440690.00.0

m3	Oct 1998	Nov 1998	Cum. 1998
AUSTRIA		45	45
BELGIUM			88
DENMARK			6
FRANCE		422	C5662
GERMANY			2959
IRELAND			C200
ITALY		11	C102
NETHERLANDS	713	279	2543
PORTUGAL			2
SPAIN			C692
SWEDEN	965	440	1475
TOTAL	1678	1197	C13774

Plywood stand-off continues

The UK plywood trade remains fixed in a stand-off between importers with saturated markets and producers unwilling or unable to lower prices.

Agents are predicting that the situation is unlikely to change before May when UK inventories begin to clear and firmer indications of the Far Eastern supply and demand situation become apparent.

Quoted prices remain unchanged, at around INDO96 less 10 to 12 for BB/CC grade, although supplies are so tight that few orders are being booked at any level. The rainy season in the Far East is nearing its end, but supplies are now being disrupted by political developments. Following on from the Chinese New Year, producers in Sabah have been distracted by state elections in early March, and by the Sabah forest authorities efforts to develop a new system of logging coups. The political situation in Indonesia is heating up in the run up to the countries elections in June. There have been riots in West Kalimantan and reports are emerging of Chinese mill owners leaving the country pending the election. Indonesian mills continue to suffer from lack of foreign exchange, which is creating difficulties in the sourcing of raw materials including glue and fuel.

The German market newsletter, EUWID, reports that there has been a shift in the quality of Indonesian plywood entering Europe. Low quality plywood was previously shipped to the Near and Middle East but, as demand in these regions has declined, increasing volumes are being sent to Europe.

The supply situation in Brazil mirrors the Far East. New log supplies will not emerge until the end of the rainy season in May. The apparent competitive advantage bestowed on Brazilian shippers by the devaluation of the real in January may be illusory. Devaluation has led to considerable increases in the costs of fuel and other vital commodities that Brazilian mills need to import and pay for in expensive US dollars.

The UK market is currently saturated with recent heavy arrivals of Indonesian plywood. Much of this plywood was bought several months ago at prices as low as INDO96 less 25. UK importers are off-loading plywood at well below replacement cost as they strive to maintain cash flow and market share. Against this background, importers are unwilling to commit to the higher prices being asked in the forward market. UK plywood importers have a habit, in any case, of holding off purchases until prices, and inventories, reach low levels. This habit contributes to a degree of volatility in the UK trade. There are reports that Indonesian mills are favouring markets on Continental Europe where more attractive prices, quoted at around INDO96 less 8-10%, may be achieved. Some UK trade contacts continue to adhere to the belief that Asian prices will not be sustained once the Far East and Brazil emerge from their respective rainy seasons. Their argument hinges on evidence of weak global demand. Uncertainties over the future of demand in the Far East were highlighted recently by a report from ITTO's *Market New Service* suggesting that China's plywood market, one of the few areas of major activity during 1998, has weakened since December. This is put down to high inventories and lower levels of underlying consumption.

Nevertheless producers remain bullish about future market prospects. They note the severity of this year's log supply shortage both in Asia and Brazil; the reports of increased demand for plywood from Japan; and the indications of improved economic performance in Korea. Analysts are expecting Korean GDP to grow by around 2% during 1999.

APKINDO statistics show that Indonesian plywood and panel product exports fell by around 35 % between 1998 and 1997 to US\$ 2.5 billion. Much of the fall was due to depressed prices rather than a reduction in export volume. Volumes declined by only 3.6% from 8.3 to 8.0 million m³.

Malaysia links with FSC

The National Timber Certification Council of Malaysia, which from 1 January this year has been responsible for developing certification in Malaysia, has agreed to collaborate with the Forest Stewardship Council.

A number of joint activities were agreed during a series of meetings between the FSC Executive Director and Malaysia's Minister of Primary Industries. FSC will advise its accredited certifiers to take account of the Malaysian sustainable forestry criteria and indicators (MC&I) when certifying operations in Malaysia. FSC agreed it would assist in the development of the MC&I to ensure compatibility with the FSC Principles. Once compatibility is achieved, FSC will advise its accredited certification bodies to use only the MC&I for assessment.

Home Depot cornered

Efforts to go green by the US largest DIY retailer, Home Depot, have received short shrift from environmental groups. Home Depot announced during March that they had joined the Certified Forests Products Council, the US equivalent of the WWF Buyers' Groups. However, rather than phase out non-certified products, the policy adopted by the likes of B&Q in the UK, Home Depot opted for a more pragmatic policy of providing consumer choice by selling certified alongside uncertified products. However this has done little to appease the Rainforest Action Network. They say they will continue to hold protests outside Home Depot stores because the "company continues to sell wood products from the world's remaining old-growth forests".

Euro headache

Assessing the prospects for the European economy during 1999 is a puzzle, not least for the European Central Bank (ECB) on whose decisions much of the future economic performance depends.

Despite introduction of the euro and centralisation of European monetary control, European economies are still heading in different directions. As uncertainty has mounted, the euro has weakened against the dollar by around 7% since the beginning of the year. This is creating challenges for the ECB in their efforts to establish a single interest rate satisfying the needs of the euro-zone's divergent economies.

The *Economist* reports that, until recently, the ECB's main difficulty was that Europe's fringes, notably Spain and Ireland, were performing better than the core economies of France and Germany. ECB's problems have now become more difficult. The core economies, previously marching together, are growing apart at an alarming rate. The French economy grew at an annualised rate of 2.9% in the last quarter of 1998, while the German economy shrank by 1.8%.

Germany's economy has been hit harder than France by the Asian and Russian crises. The country's new government, elected last October, also failed to inspire confidence. The now departed socialist Minister, Oskar Lafontaine, encouraged measures which tended to increase the cost of employment and the power of the unions. The result has been declining employment and falling consumer confidence.

Conditions in the Euro-zone argue in favour of a small interest rate cut from current levels of 3%. Inflation is at only 0.8% and GDP growth in the year to the fourth quarter of 1998 was at around 2.4% and is expected to decline further. But even a small cut would fuel Spain and Ireland's overheating economies. It would also do little for Germany and Italy which need more substantial measures to boost growth.

Improving the performance of Europe's lagging economies is a major policy dilemma. There is some hope that a weaker euro will help by boosting exports. However most analysts believe that a weak euro will not increase growth by more than 0.3%. Italy and Germany are also restricted in their ability to implement tax-and-spend fiscal policies. They are required to comply with the European "stability and growth pact" which limits budget deficits. Germany and Italy are already close to the budget ceiling of 3% of GDP. The ECB believes that the solution lies in deregulation to loosen up the labour market. Hiring and firing labour is particularly costly in Italy and Germany. Most analysts believe that labour market reforms will reduce unemployment and boost growth, but this will take time.

Euro-area growth is slowing, while that in the US has proved more buoyant than expected. The likelihood now is that US interest rates will rise rather than fall, while euro-area rates will fall. The implied widening of interest rate differentials would contribute to the dollar further strengthening against the euro.

Italian imports up despite flagging economy

Despite the relative lack of dynamism in Italy's economy, the country's imports of tropical hardwoods, both logs and sawn, were on the increase during 1998.

Italy's economy continues to be held back by the government's austerity measures implemented to ensure the country complied with the tough euro entry criteria. The *Economist* in March predicts GDP growth of only 1.8% during 1999. Rising imports of tropical wood seem to reflect competitive pricing in the wake of the Asian currency crises coupled with increased furniture consumption in Italy. According to ITTO's *Market News Service*, furniture consumption in Italy is expected to grow by 2.6% in 1999 and 3.5% in 2000, continuing a recovery that began in 1998. Furniture production is expected to grow in 1999 and 2000 by 2.5% and 4.6% respectively.

In the first 11 months of 1998, log and sawn imports increased by 3.9% and 27% respectively over the same period in 1997. Italy's major sources of tropical logs are Cameroon and Gabon. Imports from Cameroon, mainly of Ayous, fell slightly due to a crises in the Italian moulding industry in the second half of 1998. This fall was compensated by a rise in log imports from Gabon and Liberia.

From Gabon, Italy imports quantities of Bahia (Abura), a species used widely in the furniture industry for draw sides, legs and framing. As Gabon's Far Eastern market for okoume and peeling timber collapsed during 1998, production of other species has increased leading to competitive pricing. The prospects for continuing trade with Liberia are uncertain. Italy imported around 15,000 m³ in trial shipments but these were not particularly successful.

Focus on Ivory Coast

Italian tropical sawn imports increased from all regions of the globe. African countries, notably Ivory Coast, are the major suppliers. Italy's sawn imports are dominated by Bahia, Samba and Iroko. While Italy's sawn imports from the Ivory Coast increased during the year, availability is becoming a problem and importers are turning to alternative sources. Sawn imports from both Cameroon and Brazil increased during 1998.

The volumes of Italian trade with Ghana is very limited as Italian importers are able to import the same species at more competitive prices from the Ivory Coast. Italian sawmills are being established in Ghana to produce aniegre panels. This has led to a fall in aniegre log imports from Africa.

Italian Far Eastern sawn imports fell after 1993 following major price rises. However, Italian imports strengthened again during 1998, by around 30% over the first 11 months.

Turning to imports of temperate hardwoods, Italy is a large buyer of temperate logs from France and Switzerland in Western Europe and from Hungary and Croatia in Eastern Europe.

Italy is a large buyer of beech, both in log and sawn form, to supply its extensive furniture sector. The European trade in beech logs has been affected by firm demand from China. French supplies became particularly expensive during the year leading to declining Italian imports of beech logs from France.

Competition from Eastern Europe

US exporters of sawn wood to Italy are facing increasingly severe competition from Eastern Europe. Sawn imports from the United States declined by 5.5% during the year, while imports from Eastern Europe increased by nearly 18%. Hungary is a major supplier, while the former Yugoslavian state of Croatia is also becoming increasingly significant. Croatia is able to supply oak, beech and ash, producing around

750,000 m³ of sawn hardwood every year. Most Italian buyers are looking for high quality beech. Trends within Italy's furniture sector are encouraging the shift to Eastern Europe. Business in the sector is becoming increasingly short term and most orders require just in time deliveries. Delayed shipments from overseas suppliers has prompted Italian importers to turn increasingly to Eastern Europe. The highly competitive nature of the business, coupled with the long payment terms now being asked by many Italian merchants and furniture manufacturers, has prompted some US exporters to withdraw from the market altogether. Continued success in Italy market is increasingly dependent on satisfying manufacturers just-in-time requirements and growing interest in dimension and other specialised products.

ITALIAN TROPICAL HARDWOOD IMPORTS 000s m³

	Logs	Logs	% Change	Sawn	Sawn	% Change
	1997	1998		1997	1998	
	Jan-Nov	Jan-Nov		Jan-Nov	Jan-Nov	
BY REGION						
World	359.7	373.7	3.9	350.4	446.1	27.3
Africa	352.5	368.6	4.6	230.3	296.3	28.7
Asia	2.2	2.5	13.2	57.7	74.2	28.7
S. America	0.1	0.0	-64.2	59.5	71.5	20.2
Other	4.9	2.5	-47.8	3.0	4.0	34.9
BY COUNTRY						
Brazil				23.1	31.9	38.2
Cameroon	262.6	253.0	-3.6	58.5	79.2	35.4
Congo	26.2	28.7	9.6	3.0	3.0	2.2
Gabon	41.2	65.7	59.4	1.0	3.4	224.8
Ghana	0.1			18.2	22.5	23.9
Indonesia		0.1		24.3	35.5	46.0
Ivory Coast	2.2	0.0	-98.0	128.9	163.4	26.8
Liberia	0.6	15.8	2568.2	0.0	0.6	2857.9
Malaysia	0.4	0.2	-52.9	29.5	33.6	13.9
Nigeria	6.4	0.3	-95.1	14.9	20.5	37.8
Uruguay				21.7	23.8	9.8
Other	20.1	9.8	-2383.6	27.3	28.6	-3289.2

Source: Federazione Nazionale Dei Commercialisti del Legno

ITALIAN TEMPERATE HARDWOOD IMPORTS 000s m³

	Logs	Logs	% Change	Sawn	Sawn	% Change
	1997	1998		1997	1998	
	Jan-Nov	Jan-Nov		Jan-Nov	Jan-Nov	
BY REGION						
World	2316.5	2064.4	-10.9	1116.9	1215.0	8.8
W. Europe	1133.4	1070.0	-5.6	209.1	209.5	0.2
E. Europe	1066.8	920.4	-13.7	652.6	768.9	17.8
N. America	115.4	73.3	-36.5	247.1	229.8	-7.0
Others	0.9	0.7	-19.4	8.0	6.8	-15.3
BY COUNTRY						
Belgium	60.6	69.6	15.0	0.7	0.9	27.5
Bosnia	4.2	7.8	86.6	20.9	44.4	112.8
Bulgaria	0.7	0.8	22.6	13.6	16.0	18.0
Canada	47.2	4.7	-90.1	21.3	16.4	-23.2
Croatia	175.1	179.2	2.4	175.7	193.5	10.2
France	597.8	538.4	-9.9	64.0	70.3	9.8
Germany	126.8	116.7	-8.0	53.1	53.7	1.2
Hungary	605.1	529.4	-12.5	134.3	175.6	30.8
Poland	0.2	0.0	-88.7	48.7	65.5	34.5
Romania	0.1	2.7	2200.8	32.2	30.3	-6.0
Russia	41.3	15.7	-61.9	53.7	55.7	3.7
Serb/Mont	12.6	9.2	-27.0	39.2	42.5	8.6
Slovakia	65.9	28.9	-56.2	30.9	33.8	9.3
Slovenia	144.7	130.4	-9.9	69.0	66.1	-4.2
Switzerland	191.7	193.1	0.7	32.2	27.3	-15.3
USA	68.2	68.6	0.7	225.8	213.4	-5.5
Others	174.2	169.1		101.7	109.6	

Source: Federazione Nazionale Dei Commercialisti del Legno

Reversal of fortune for German importers

During the first 9 months of 1998, German imports of hardwoods, both tropical and temperate, registered a significant increase. The increase reflects relatively strong growth in the German economy during the first quarter of 1998 that was not sustained into the second half of the year. Import volumes of tropical wood may also have been boosted by competitive pricing. However

low prices and weak underlying demand mean that, while import volumes increased, the market has become increasingly competitive and margins have been cut to the bone.

Germany's economy grew at annualised rate of 4.3% in the first quarter of 1998 and, follow-

ing an increase in VAT, by only 1.7% in the second quarter of the year. The election of the Schroder government and appointment of the left-leaning Oscar Lafontaine as Finance Minister in November, did little to inspire consumer and business confidence. Germany's economy shrank at annualised rate of 1.8% in the last quarter of 1998. The *Economist* forecasts GDP growth of only 1.6% during 1999.

By the end of last year, most analysts were commenting on the difficulties of Germany's hardwood market. Severe competition was leading to losses and drastically reduced company profits. Long overdue payments from customers, even in the public sector, had resulted in company liquidations. Germany's market for win-

dows, the largest in Europe, declined by 7% in 1998. The share of the wooden windows market fell by 9.5% to 26%, continuing a long term trend towards PVC which now has a 54% share. The mouldings market is increasingly dominated by MDF sheathed with paper or veneer, a factor which particularly affects white oak and wawa imports. The German furniture industry is coming under growing pressure from overseas producers. Imports of Eastern European furniture are rising, much sourced from companies owned by West German multinationals. Germany's furniture industry is forecast to grow during 1999 but at a lower rate than last year. Turnover in the industry increased by 3% in 1998 and is forecast to increase by 2% in 1999.

GERMAN TROPICAL HARDWOOD IMPORTS 000s m3						
	Logs	Logs	% Change	Sawn	Sawn	% Change
	1997	1998		1997	1998	
	Jan-Sept	Jan-Sept		Jan-Sept	Jan-Sept	
BY REGION						
World	102.5	134.5	31.2	134.6	139.3	3.4
Africa	100.2	129.0	28.7	53.9	70.0	30.0
S & C America	0.1	2.8	3510.3	3.0	2.6	-12.7
Asia	2.1	2.6	24.2	66.4	55.6	-16.2
Other	-	-	-	11.4	11.0	-
BY COUNTRY						
Cameroon	57.8	73.5	27.0	2.3	4.5	96.9
Congo (Zaire)	6.1	6.0	-0.8	2.1	0.5	-75.0
Congo (Braz)	13.6	16.9	24.2	0.7	1.7	123.1
Eq. Guinea	7.7	10.3	34.0	-	-	-
Gabon	12.4	16.6	33.1	-	-	-
Ghana	-	-	181.8	43.8	57.0	30.3
Indonesia	-	-	-	6.3	8.7	36.6
Ivory Coast	1.9	-	-100.0	4.4	5.6	27.5
Liberia	0.2	5.0	2071.4	-	-	-
Malaysia	0.3	0.2	-10.6	56.4	43.0	-23.7
Myanmar	1.7	2.2	33.5	0.4	0.5	17.8
Netherlands	-	-	-	6.1	6.7	10.2
Other	0.7	3.7	-	12.2	11.1	-

Source: BD Holz-VDH

GERMAN TEMPERATE HARDWOOD IMPORTS 000s m3						
	Logs	Logs	% Change	Sawn	Sawn	% Change
	1997	1998		1997	1998	
	Jan-Sept	Jan-Sept		Jan-Sept	Jan-Sept	
BY REGION						
World	161.7	170.5	5.4	339.1	366.3	8.0
W. Europe	111.2	107.8	-3.1	54.8	46.4	-15.3
E. Europe	15.6	22.9	46.2	152.1	227.7	49.7
N. America	32.7	37.6	14.9	130.9	90.9	-30.5
Others	2.1	2.2	7.2	1.3	1.3	-4.1
BY COUNTRY						
Austria	1.0	1.7	74.7	17.6	10.5	-40.3
Belarus	-	-	-	9.3	12.0	29.1
Belgium-Lux	15.4	9.8	-36.4	1.0	2.0	86.6
Canada	0.7	0.9	38.8	33.3	33.4	0.0
Czech Republic	3.8	5.5	46.3	9.0	12.6	39.7
France	75.3	72.3	-4.0	25.5	20.7	-19.1
Hungary	1.0	4.7	373.8	8.9	7.8	-12.4
Latvia	-	-	-	6.4	18.5	190.7
Lithuania	0.1	0.1	56.0	43.3	81.7	88.6
Netherlands	0.7	1.4	113.6	2.6	2.0	-25.7
Poland	7.7	7.3	-5.1	33.9	31.6	-6.5
Romania	-	0.5	-	5.2	12.4	139.4
Russia	0.3	0.2	-46.6	2.6	5.9	126.8
Slovakia	1.4	0.9	-39.7	10.6	13.8	30.9
Switzerland	5.5	5.5	-0.3	2.4	3.6	47.7
Ukraine	0.9	2.9	223.8	17.2	20.9	21.3
USA	32.1	36.7	14.4	97.5	57.6	-41.0
Other	16.0	20.1	-	12.6	19.4	-

Source: BD Holz-VDH

Import data misleading

Import data for the first nine months of 1998 seems to present an overly rosy picture of Germany's hardwood market. Imports of tropical hardwood logs and sawn increased by 3.9% and 27.3% respectively compared to the same period in 1997. Log import volumes from Cameroon, Germany's major tropical log supplier, increased by 27%. Despite the increased competitiveness of Asian sawnwood during 1998, Germany continued to import a larger proportion of tropical wood from Africa. African sawn imports increased by 30% while Asian imports actually fell by 16%.

With weak prices for Meranti and generally weak demand in Germany, prices for other species with similar end uses have come under intense price pressure. This has mainly affected African species including sipo, sapeli, naingon, framire, doussie and apa. Ghana is the largest supplier of sawn to Germany, much of it wawa used in the mouldings industry.

On the temperate side, the major trend has been a shift away from Western Europe and North America towards Eastern Europe. Sawn imports from E. Europe increased by 50%, with a notable 88% increase in imports from Lithuania. US hardwood imports fell by 40% over the nine month period. German US hardwood importers suffered badly during 1998, holding large stocks in early 1998 which were devalued as the US dollar exchange rate fell during the year.

SNBG Exports

1998 export data has been released by Gabon's state timber company, SNBG which holds a monopoly on okoume and ozigo exports to Europe, Turkey, Israel and Morocco. In 1998 SNBG's okoume exports were 962,051 m3, compared to 1,850,427 m3 in 1997. Ozigo exports fell to 47,814 m3 from 140,022 m3 in 1997. SNBG project exports of around 700,000 m3 to traditional markets in 1999. SNBG also aim to export up to 200,000 m3 to Asia in 1999 "to keep our foot in the door".

In the longer term Gabon is planning to reduce log exports, but not to impose a complete ban. Current proposals are to require 50% local processing of harvested timber by the year 2000 and 90% by 2025. Source: Reuters/ATIBT

Forest protection - Cont.

The Yaounde Declaration is evidence of a growing commitment to forest protection on the part of Central African leaders. However, the announcement of new protected areas raises questions of its own. As the WWF notes in its own publicity material, the Congo Basin is a challenging environment for forest conservation because of difficult economic circumstances, civil disturbance and criticisms of weak governance in some countries. Marking out reserves on the map is only the first step in a long-term process of active management to balance the needs of environmental protection against the social and economic demands of local populations. Furthermore, the more pressing challenge of developing comprehensive land-use policies and regulatory frameworks, to ensure sustainable management of all forests, including those devoted to timber production outside protected areas, is not encompassed within the initiative. WWF's usual answer to the problems of sustainable forestry for timber production in the tropics is to push the case for "independent timber certification". WWF's publicity material in connection with the Yaounde Summit is no exception. Alongside the various protected areas initiatives, WWF proposes that countries of the Congo basin "work towards the establishment of regional certification standards under the auspices of the Forest Stewardship Council (or an equivalent independent certification) to encourage sustainable forest management". The reality is that solutions to the problems of forest management in Africa which emphasise only forest protection on the one hand, and certification on the other, are incomplete. Certification is no alternative to effective government regulation. It cannot function effectively in an environment where regulatory frameworks are not already well developed. Nor do these solutions address some of the more fundamental problems of the tropical forestry sector. According to Jean-Pierre Kiekens in a recent article in *Timber and Wood Products*: "The [FAO] Tropical Forest Action Plans clearly stressed that high attention should be given to agriculture, to provide farmers with an alternative to forest encroachment, through support for land reform, sustainable farming practices and other activities. But in tropical Africa, as in other regions, sustainable forest management is too often perceived as solely a forestry problem."

Sarawak's earnings drop

Recent data from Sarawak reveals the extent of the losses to the State's timber industry as a result of the Asian crises. Sarawak has reported a drop in earnings from exports of timber products of around US\$265 million in 1998 compared to the previous year. Revenues of US\$1.32 billion in 1998 compare to around 1.59 billion in 1997. Log production in 1998 was 11.3 million cubic metres against target production of 16.5 million m³. Production in 1997 totalled 16.8 million m³.

State of the world's forests

FAO released its second biennial report on the State of the World's Forests at a press conference timed to coincide with the fifteenth session of the organisation's forestry commission in early March. The FAO report shows that forests still cover 25 percent of the world, but this area is declining at 11.3 million hectares per year. FAO stress that increasing numbers of countries are decisively confronting the problem of declining forest cover and developing strategies toward resolving this. These strategies include the introduction of tough regulations governing forest exploitation, increasing forests protected areas, environmentally friendly management techniques and the increased efficiency in wood processing. FAO claim that "there is a universal

commitment to improving the management of forestry heritage, which is translated into positive change both in objectives and techniques." They also note that the area of natural forests considered suitable for timber production is shrinking, due both to deforestation and the increasing area of protection forest.

FAO's report focused heavily on forest fires which took a heavy toll on forest cover in 1997 and 1998. In 1997, forest fires affected 2 million hectares of Brazilian forest. 1 million hectares were affected by fire in Sumatra and Kalimantan during 1997 and 1998. During the same period, 1.5 million hectares of Mexico and Central America were also affected by fires.

French tropical log imports rise while sawn imports fall

The French market for tropical hardwoods is dominated by African log imports, notably of okoume from Gabon, to supply the country's large plywood industry. Overall log imports during 1998 were significantly higher than in 1997, rising from 791,200 m³ to 913,900 m³*. Imports of okoume logs increased from 354,496 m³ in 1997 to 416,821 m³ in 1998 with 80% being sourced from Gabon. The market for African logs into France was particularly strong during the first half of 1998, but weakened towards the end of the year due to a build up of unsold stocks. Herbert Soller of Timber International, in a report to ATIBT Conference in December, noted that the French tropical log market was slow at the end of 1998 and expectations were that it will take a while to pick up again during 1999.

1998 was not a good year for French importers of Brazilian sawn. Import volumes declined by 13% from the previous year, with particularly large falls in the second half of 1998. Significant volumes of Brazilian sawn were imported during the opening months of the year under delayed contracts signed at relatively high prices prior to the Asian crises. Volumes were also purchased early in the year when the dollar was

at a high rate of exchange. However, in the second half of the year the dollar lost around 10% of its value against the French Franc while prices dropped substantially in the source countries, devaluing French importers' stocks.

Despite the fall in Asian prices, there was little evidence of any significant shift by French importers to purchase greater volumes of Asian species during 1998. Imports from Asian destinations appeared to pick up during the first nine months of 1998, being 20% higher than the same period the previous year. However, this trend was not sustained towards the end of 1998. Total imports of Asian sawn timber actually declined slightly, from 73,500 to 71,300 m³ between 1997 and 1998. Malaysia was by far the largest Asian supplier, contributing 60,000 m³ during 1998. Rising prices for Asian hardwoods towards the end of 1998 may have deterred French importers, many of whom remain wary of returning to Asian hardwoods after being badly burned by rapid price increases in the early 1990s.

*Note that 1997 log export figures supplied by *FFBTA*, the French importers federation, and presented in last months issue of *Tropical Timbers* have been revised downwards.

	FRENCH HARDWOOD IMPORTS 000s m ³					
	Logs 1997	Logs 1998	% chnge	Sawn 1997	Sawn 1998	% chnge
BY REGION						
World	791.2	913.9	15.5	476.3	382.4	-19.7
Africa	732.4	836.2	14.2	134.5	135.1	0.4
South America	0.2	0.0	-73.3	155.8	136.1	-12.7
Asia	1.8	1.9	3.1	73.5	71.3	-3.0
Others	56.8	75.8	33.4	112.4	39.9	-64.5
BY COUNTRY						
Brazil	0.2		-100.0	155.4	135.5	-12.8
Cameroon	200.4	208.9	4.2	33.9	36.2	6.6
Central African Republic	6.2	11.3	83.9	0.2	0.4	108.5
Congo (Brazzaville)	93.9	66.7	-28.9	11.1	15.8	42.4
Gabon	429.9	487.8	13.5	2.9	3.1	5.4
Ghana		0.2		44.5	40.0	-10.1
Ivory Coast	1.8	0.2	-89.4	41.6	39.1	-6.0
Liberia	0.3	61.1				
Malaysia	0.1	0.3	230.9	60.1	60.0	-0.2
Myanmar	1.7	1.5	-6.5	10.9	8.9	-18.8
Other	56.9	75.8		115.6	43.5	

Source: *FFBTA*

Central African forest protection

Encouraged by the WWF, the Heads of State of five African nations have announced plans to protect extensive tracts of forest in the Congo basin. The announcement poses as many questions as it answers.

Amidst much publicity, at a Forest Summit hosted by President Paul Biya of Cameroon and chaired by Prince Philip, President of the WWF, five African Heads of State signed the Yaounde Declaration on 17 March. The Declaration contains plans to protect extensive tracts of forest in the Congo basin. Representatives of the governments of Gabon, Central African Republic, Congo-Brazzaville and Equatorial Guinea jointly announced plans to create new cross border forest protected areas. The initiatives signed include:

- establishing a new transborder conservation initiative between Gabon, Cameroon, and Congo-Brazzaville, protecting more than 3.5 million hectares of forest.
 - endorsing an existing tri-national network of protected areas between Cameroon, the Central African Republic and Congo-Brazzaville - covering more than one million hectares of forest.
 - creating two new forest reserves in Cameroon, and recognising three other reserves established by the Cameroon and Gabon governments in 1998. These include 220,000 hectares of the Lobeke Forest in Cameroon, and 600,000 hectares of the Minkebe Forest Reserve and 332,000 hectares of Monts Doudou in Gabon.
- The Forest Summit was arranged by the Cameroon government and has been closely linked with the WWF's Living Planet Campaign. Under the Campaign, WWF appeals for "Gifts to the Earth" which it describes as "specific, quantifiable commitments to conservation by governments and corporations." The central aim of the Campaign is to protect 200 examples of the earth's different terrestrial, freshwater and marine habitats. WWF provides positive publicity to countries that make these commitments and provides a measure of financial support. The Government of Cameroon simultaneously announced the launch of a new Trust Fund to help finance the effective management of protected areas. The World Wide Fund for Nature is making an initial donation of US\$500,000 and, according to the WWF "it is hoped that governments and aid agencies will allocate funds to ensure these crucial commitments are implemented."

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SHARE PRICES FOR SOME U.K. COMPANIES

	52 Week High	52 Week Low	26 Nov	15 Dec	29 Jan	26 Feb	29 Mar
J. Latham	203.5	141.5	143.5	141.5	143.5	146.5	141.5
Meyer International	445.5	244	349.5	360.0	338.5	339.0	399.5
Travis Perkins	628.5	360	437.5	383.5	360.0	423.5	522.5
Barratt Devs.	341	155.5	223.5	231.5	223.5	262.0	296.5
John Laing	397.5	233.5	287.0	270.0	233.5	256.0	296.5
Alfred McAlpine	181.5	106.5	131.5	132.0	151.5	160.5	171.0
J. Mowlem	150	77.5	97.5	94.5	106.0	115.0	118.0
George Wimpey	143.5	91.5	116.5	112.0	104.5	133.0	153.5
Cornwell Parker	182.5	66.5	78.5	66.5	94.5	85.0	85.0

EXCHANGE RATES FOR ONE POUND STERLING

		16 Dec	29 Jan	26 Feb	29 Mar
Australia	Aus.\$	2.6993	2.6149	2.5800	2.5536
Bangladesh	Taka	81.6595	79.5938	77.6971	78.4617
Belgium	Belgian Fr.	57.6499	58.3546	58.8700	60.9258
Belize	B\$	3.3674	3.2856	3.2040	3.2372
Bolivia	Boliviano	9.4961	9.3147	68.3654	9.2746
Botswana	Pula	7.5648	7.4826	7.4460	7.5973
Brazil	Real	2.0287	3.3842	3.3242	2.8528
Fr. Africa*	CFA Fr.	936.900	948.890	957.27	990.70
Chile	Peso	798.663	803.575	804.204	786.396
China	Yuan	13.9374	13.5988	13.2630	13.4015
Denmark	Danish Krone	10.6346	10.7594	10.8496	11.2255
Europe	Euro	-	1.4465	1.4592	1.5104
France	Franc	9.3690	9.4889	9.5727	9.9070
Germany	D-mark	2.7934	2.8293	2.8543	2.9539
Ghana	Cedi	3939.87	3868.80	3804.76	3913.78
Guyana	Guyanese \$	255.586	257.919	259.491	260.092
Hong Kong	HK\$	13.0461	12.7297	12.4119	12.5429
India	Rupee	71.6436	69.8273	68.3654	68.6286
Indonesia	Rupiah	13090.81	14703.09	14157.69	14365.09
Irish Republic	Punt	1.1248	1.1393	1.1494	1.1895
Italy	Lira	2765.90	2800.95	2825.69	2924.37
Japan	Yen	195.966	191.025	190.077	193.762
Kenya	K. Shilling	105.82	101.53	102.13	105.05
Korea South	Won	2039.80	1930.29	1960.05	1982.95
Malaysia	Ringgit	6.3981	6.2427	6.0876	6.1507
Myanmar	Kyat	10.5260	10.2703	10.0152	10.1190
Netherlands	Guilder	3.1482	3.1879	3.2160	3.3283
Nigeria	Naira	145.640	143.417	139.374	150.530
Philippines	Peso	65.496	63.248	62.398	62.801
Portugal	Escudo	286.658	290.012	292.573	302.790
Singapore	Singapore \$	2.7764	2.7801	2.7587	2.8050
South Africa	Rand	10.1485	9.9476	9.9244	10.0839
Spain	Peseta	237.696	240.689	242.815	251.295
Taiwan	\$	54.3036	53.0871	52.9942	53.6809
Tanzania	Shilling	1134.69	1117.12	1108.99	1121.09
Thailand	Baht	60.8405	60.7015	59.7867	60.8999
Uganda	New Shilling	2294.88	2262.14	2202.75	2248.24
U.S.A	US \$	1.6837	1.6428	1.6020	1.6186
Venezuala	Bolivar	944.354	943.378	920.550	943.441
Vietnam	Dong	23393.3	22802.1	22255.0	22499.4
Zimbabwe	\$	62.6758	64.4800	61.3567	61.8306

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

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