



Informations & Statistiques Internationales

Février 2011
N°40

Sommaire

I- Les États-Unis	p.2
A) Prix	p.2
B) Bâtiment	p.2
C) Consommation de résineux	p.3
Demande en Asie	p.4
US vs Canada	p.6
Consolidation et espoir chez les constructeurs	p.7
Prix des sciages	p.9
Prix des feuillus	p.10
II-Canada	p.11
Sciages résineux en Inde	p.11
Production et accord avec US	p.11
Production en hausse	p.12
III-Russie	p.13
Taxes russes et OMC	p.13
IV-Japon	p.14
Mise en chantier	p.14
V- La Chine	p.14
a) Import grumes chêne	p.14
b) Import sciages chêne	p.15
c) Import grumes hêtre	p.15
d) Import sciages hêtre	p.16
e) Import sciages résineux	p.17
VI- Europe	p.18
Demande > offre en 2030	p.18
VII-Allemagne	p.21
Prix grumes de résineux	p.21
Prix sciages résineux	p.21
Marché du meuble	p.22

VIII- La Suède	p.23
Sodra ouvre une ligne feuillus	p.23
IX- La Norvège :	p.24
Prix des grumes en hausse	p.24
X- L'Autriche	p.25
Bonne santé d'un parqueteur	p.25
Prix des grumes	p.25
XI-Royaume-Uni	p.26
Demande faible	p.26
XII-Espagne	p.27
Demande faible	p.27
XIII-Nouvelle-Zélande	p.28
Scieries en difficultés et vente	
Grumes	p.28
Hong Kong achète de la forêt	p.29

Edito

Le monde se remet très lentement de la crise économique de fin 2008/2009. Les mises en chantiers aux États-Unis et au Japon restent très faibles même si les acteurs du marché pensent que la croissance reviendra fin 2011.

Le demande est toujours faible au Royaume-Uni et en Espagne. L'industrie Néo-Zélandaise du bois est en péril, la crise affecte les scieries qui ferment. Les grumes s'exportent massivement.

De plus la demande maghrébines et du Moyen-Orient sera forcément affectée par la crise politique et démocratique. Face à ces difficultés les pays fournisseurs comme le Canada et les États-Unis, la Russie et la Finlande se disputent sur leurs accords commerciaux

FrenchTimber

Taux de change :

Devise	17 Janvier	22 février
1 €=	1,3291 \$	1,3678 \$
1 €=	109,87 ¥	11 3,82 ¥
1 €=	0,8366 £	0,8456 £

Source: <http://bourse.lesechos.fr/bourse/index.jsp>

SALON DE DUBAÏ

Il reste encore un stand de 7,5m2 sur le pavillon France su salon du Dubaï Woodshow. Votre participation pour 2 450 euros dont 893 euros d'aide par Ubifrance. De plus vous bénéficierez de 403 Euros de réductions sur vos frais de déplacement et d'hôtel !

Vos commentaires et remarques sont à envoyer à :

T.chauvin@frenchtimber.com

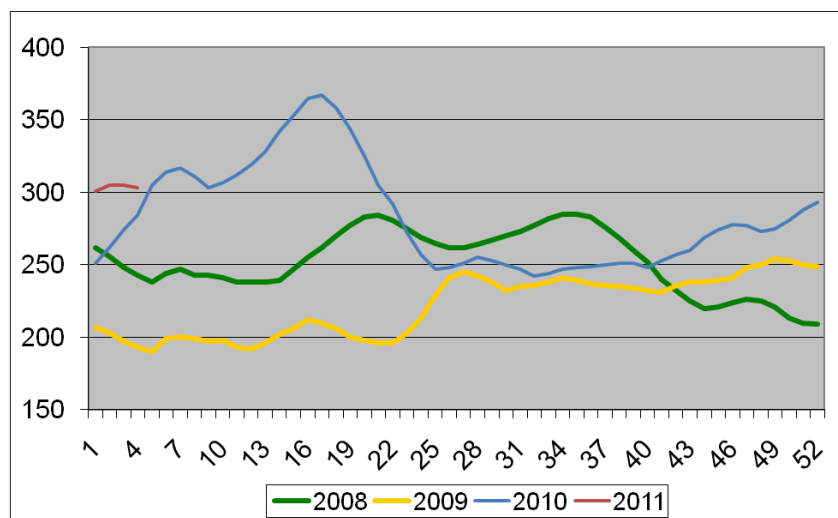
I- Etats-Unis

A) Le prix des charpentes

Depuis la semaine 40 de 2009, les prix ont augmenté significativement pour stagner en 2010 à 300\$. Ce sont des prix qui reviennent à une situation presque normale après la forte baisse de 2009. Mais cette hausse des prix n'est pas à mettre sur le compte de la demande nationale mais d'une forte baisse de l'offre et d'une demande croissante vers la Chine.

Unité: USD/ milliers BF
Source : Random Length

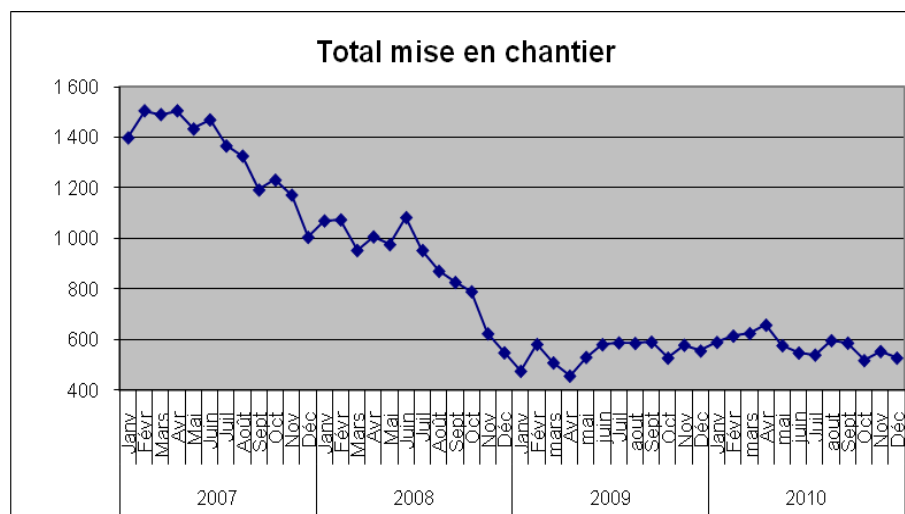
Note: 1000BF = 2,36m³ en mesure nominale
Note : Le prix est basé sur des sections standards : 2' x 4'', correspondant à la section nominale ; en réalité, les bois livrés sont secs (kill dried) rabotés et souvent à arrêtes cassées.



B) Marché du bâtiment :

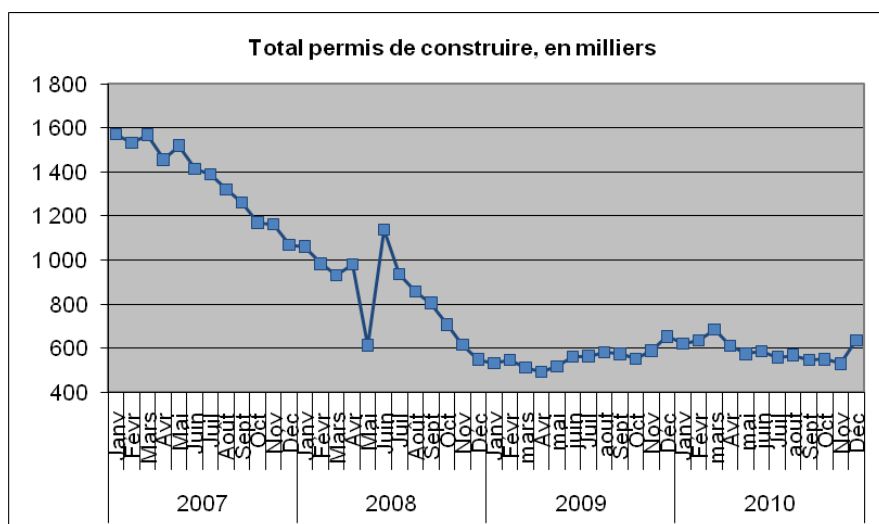
Mises en chantier :

La situation du bâtiment aux Etats-Unis est toujours aussi catastrophique, même si les mises en chantier sont un peu plus fortes en 2010 qu'en 2009. Les acteurs du marché espèrent une reprise courant 2011.



	Janv	Févr	Mars	Avr	Mai	Juin	Juil	Août	Sept	Oct	Nov	Déc	TOTAL
2006	2 303	2 120	1 972	1 821	1 953	1 841	1 772	1 674	1 740	1 488	1 572	1 629	21 885
2007	1 399	1 506	1 491	1 506	1 474	1 470	1 367	1 327	1 193	1 232	1 173	1 006	16 144
2008	1 071	1 075	954	1 008	977	1 084	954	872	828	791	625	550	10 789
2009	531	547	512	494	518	563	564	580	575	552	580	557	6 573
2010	591	616	626	659	578	549	541	598	588	519	555	529	6 949

Permis de construire :



Unité : milliers

Source : Random Lengths

	Janv	Févr	Mars	Avr	Mai	Juin	Juil	Août	Sept	Oct	Nov	Déc	TOTAL
2006	2 216	2 145	2 085	1 987	1 946	1 869	1 763	1 727	1 638	1 553	1 513	1 628	22 070
2007	1 571	1 532	1 569	1 457	1 501	1 413	1 389	1 322	1 261	1 170	1 162	1 068	16 415
2008	1 061	984	932	982	613	1 138	937	857	805	708	616	549	10 182
2009	531	547	512	494	518	563	564	580	575	552	589	653	6 678
2010	621	637	685	610	574	586	559	569	547	550	530	635	7 103

Unité : milliers

Source : Random Lengths

Consommation : résineux (milliard de BF)

	résidentiel	Réparations/aménagements	non résidentiel	Industrie	Total
2007	20,85	16,746	1,156	13,697	52,4
2008	12,58	14,357	1,139	13,199	41,3
2009	6,97	13,592	1,047	11,483	33,1
2010	7,26	13,862	0,895	11,712	33,7
2011*	8,62	14,254	0,869	11,981	35,7

* Préviation

La demande chinoise de résineux , contrariée par des approvisionnements limités de la Russie, permet aux Etats-Unis d'augmenter largement ses exports. Mais cette hausse de la demande, notamment en grumes, pénalise les scieries américaines.

Timber demand in Asia helps market, but Missoula-area loggers yet to see changes

The world timber market may finally be cutting the United States a break. But local loggers aren't ready to celebrate.

"Earlier, we thought we might have been done a month ago," Kalispell logger Kenny Swanstrom said. "Now we're going to go right until they close the roads down. As gloomy a year as it was, it's really nice to hear that somebody wants you."

A reason for that uptick is the demand for lumber in Asia. Swanstrom said machinery dealers he's talked with report that the Canadian lumber industry has been landing big. "It seems to be due to increased tariffs and supply problems from Siberia," said Montana State Forester Bob Harrington of the Department of Natural Resources and Conservation. "What we're seeing now is the global market, and the Chinese market for wood products - pallets and packing materials, pulp and paper, and their appetite for stick-built homes like we live in."

The Wood Resources International report found that Canada actually surpassed Russia in softwood lumber exports to China during the fourth quarter of 2010. Meanwhile, U.S. log exports have jumped from 100,000 cubic meters in 2007 to 2.4 million cubic meters in 2010. That makes the U.S. the third largest log exporter to China after Russia and New Zealand.

contracts from Chinese buyers. U.S. exports have also jumped. That has the double advantage of increasing prices domestic mills pay for logs and decreasing competition from Canadian exports to the U.S.

Wood Resources International LLC, a Seattle-based industry analyst, reported in January that North American log and lumber exports to China jumped 150 percent in 2010 compared to 2009. Five years ago, the region's total Chinese exports were worth about \$125 million. Last year, the figure topped \$1.6 billion.

Harrington said that looked a little like the pattern in the 1990s when the lucrative Japanese wood market bought more logs than processed lumber, which hurt domestic sawmills.

"I think most of the industry folks that see this spike probably remember that," Harrington said. "They're staying cautious to see if this is a short-term event, or does it represent a long-term shift in global demand, given the magnitude of the Chinese economy, with a growing middle class that wants to live in homes and not high-rise apartments? I've heard from at least two mills the words 'China' and 'improved markets' in the same sentence."

North America: Exports to China stabilise market

(EUWID-Boston) The year 2010 was volatile for North American producers of softwood lumber. Tight markets early in the year as demand climbed, but production was curtailed resulted in massive price spikes into April, before price levels again plunged in the late spring and summer. Softwood lumber prices subsequently recovered again during the second half of the year, so that prices for the main assortments were again up by double-figure percentages from December 2009-levels at the end of 2010.

However, this recovery wasn't due to the market developments within North America itself. In fact US housing starts remained in the doldrums after the expiration of the housing tax credit, while Canadian housing starts weakened from their strong early 2010 pace. Other domestic end-use markets in North America were all anaemic, and supply was more than adequate to meet demand. In the last quarter of the year, domestic North American softwood lumber consumption was down year-over-year. What provided yet another extraordinary twist to North American lumber markets in 2010 was the unprecedented run-up in exports of softwood lumber to China after mid-year.

Sawmills in Canada and particularly those located in British Columbia were able to profit most from this. Through the first ten months of 2010, Canadian softwood lumber exports to China rocketed to 3.28 million m³, 68% higher than the 1.96 million m³ exported in the same period of 2009 - which at the time was also a record. Canada is expected to have exported 4 million m³ of softwood lumber to China in all of 2010, representing close to 50% of all off-shore Canadian lumber exports and over 8% of total 2010 Canadian lumber shipments. Against this background, the price of British Columbia SPF lumber showed a disproportionate

year-over-year hike by 49% to US\$131/m³ (End of 2009: 88) fob mill, according to the US newsletter Random Lengths. Eastern Canada SPF was selling at US\$163/m³ (128) delivered Great Lakes at the end of 2010, an increase by 27% from 2009.

As Chinese buyers have increased purchases of Canadian lumber, they also have widened their search to include US mills, particularly those on the West Coast. While US exports to China are much smaller than those from Canada, US China exports of softwood lumber in the first ten months of 2010 jumped 140% over the same period of 2009, from 99,000 m³ to 238,000 m³. The strength of offshore exports from the western regions of the US had major impacts on pricing. As such, prices for US West Coast Douglas Fir 2x4s at US\$131/m³ (100) fob mill ended the year 2010 31% higher than the year before. At the same time, Yellow Pine lumber prices on the Westside of the South ended the year just 13% higher compared to one year-earlier, rising from \$109/m³ to \$123/m³ fob mill.

North American softwood lumber demand will likely remain weaker than a year-ago, at least through the first and second quarters, as market participant expectations hover at generally low levels. In this vein, further growth in both US and Canadian exports is anticipated for 2011. It remains to be seen, however, if the regional differences in prices will remain in place for a longer period of time. Chinese buyers might start looking to the South for lumber supplies due to the current price advantages, which might subsequently lead to falling prices in the West or rising prices in the South. Moreover, it is important to remember that the largest determinant of lumber market behaviour still remains the North American domestic markets. □

Les Etats-Unis proclament leur succès dans leur combat contre le Canada. Depuis plusieurs années, les Etats-Unis accusent le Canada de ne pas respecter le traité d'échange de bois entre les deux pays. A la fois sur les volumes exportés aux US, mais aussi sur les prix pratiqués au Canada.

US claims victory over Canada in lumber dispute:

The United States claimed victory against Canada Friday in a trade dispute over Ottawa's alleged subsidies for lumber exports to the United States.

The office of the US Trade Representative said an arbitration court had supported claims that Canada broke the terms of a five-year-old agreement on the bilateral lumber trade.

"The tribunal agreed that a number of provincial assistance programs put into place by Quebec and Ontario circumvent the Softwood Lumber Agreement and breach the deal struck by the United States and Canada in 2006," Ron Kirk, the US Trade Representative (USTR), said in a statement.

Canada faces additional export levies for violating the 2006 pact which could amount to \$59.4 million, according to the USTR's office.

In a statement, Canadian Trade Minister Peter Van Loan noted "that the tribunal rejected 97 percent of the United States' \$1.86-billion claim as having no basis."

Ottawa, he added, was "closely reviewing" the decision and its impact on its forestry sector.

It was the second complaint by Washington against Ottawa over the lumber pact that has gone to arbitration.

The first, in 2007, was over Canada's miscalculation of export quotas and resulted in a \$68 million fine.

The USTR lodged a third complaint on Tuesday, alleging that the province of British Columbia was setting an artificially low price for timber from public lands sold to lumber exporters.

Van Loan rejected the newest charges, saying they address "a pricing system that is no longer in place" and rely "on unfounded allegations."

He pointed to an "unprecedented infestation of the mountain pine beetle" in British Columbia for an increased proportion of low-value logs in the province's timber harvest, sold at auction.

Biggest U.S. Homebuilders Take Over Market as New-Home Sales Begin Rebound

Bien que la crise immobilière américaine ait eu des conséquences très négatives sur l'économie, les grands groupes de construction ont profité de la situation pour se consolider via le rachat de groupes plus petits, mais aussi en investissement dans des résidences à moindre coût. Ils espèrent une reprise progressive en 2011 (+13% par rapport à 2010).

The biggest U.S. homebuilders are poised to benefit from a fledgling rebound in demand for new houses this year, with competitors having gone out of business during the recession and sales likely to climb from record lows.

D.R. Horton Inc., Lennar Corp. and Toll Brothers Inc. are among companies planning to boost their community counts by at least 10 percent this year after writing down property values, buying land at discounted prices and obtaining financing unavailable to smaller, closely held builders.

"It's a definite bull tenet for the big builders," said Ivy Zelman, chief executive officer of Cleveland-based advisory firm Zelman & Associates, who rated all homebuilders "sell" in December 2006 and now has "buy" on five of the 13 she covers. "That's one of the reasons we're recommending investors be long a handful of homebuilding stocks."

The National Association of Home Builders expects new single-family home sales to rise to 405,000 this year, while Moody's Analytics Inc. projects an increase to 540,000. The annual pace of sales averaged 319,640 for the 11 months through November, down 15

percent from a year earlier, according to Commerce Department data.

"What's fueling the strength in 2011 is the inventory of new homes is so low," Celia Chen, a housing analyst with Moody's Analytics in West Chester, Pennsylvania, said in a telephone interview. "Of course, 540,000 is still a lot lower than it was in 2006 and 2007" for annual sales, she said.

Falling Demand

Demand for new homes has tumbled as lenders seize almost 100,000 houses a month through foreclosures, consumer confidence remains weak and U.S. unemployment lingers above 9 percent. Sales of new single-family properties totaled 375,000 units in 2009, the previous low in Census records dating to 1963. In 2005, builders sold a record 1.28 million single-family homes.

Home prices are down 30 percent from their July 2006 peak, according to the S&P/Case-Shiller index. Values probably will fall another 6 percent before the traditional spring selling season begins, Standard & Poor's said in a Jan. 10 report.

Builder optimism remains low. The National Association of Home Builders/Wells Fargo index, released yesterday, stayed at 16 in January for the third consecutive month. Readings below 50 mean more respondents said conditions were poor. Housing starts fell to an annual pace of 529,000 in December, down 4.3 percent from the previous month, the Commerce Department reported today. That was less than the median analyst forecast of 550,000 in a Bloomberg News survey.

Stock Rise

Barclays Capital Inc. downgraded the homebuilding industry to “neutral” from “positive” on Jan. 6, citing a run-up in stock prices since November.

The S&P Supercomposite Homebuilding Index of 12 companies has climbed 30 percent since Nov. 30, compared with a 9.7 percent increase in the S&P 500 index. In 2010, the homebuilder gauge rose 2.3 percent, less than the 13 percent gain for the broader measure.

“We continue to expect growth of new home sales in 2011 of roughly 13 percent,” Megan McGrath, a New York-based analyst with Barclays, wrote in her Jan. 6 research note. “The market has already adequately priced in a decent portion of the upside in the housing market for most of our stocks this year.”

Bigger builders have an advantage in the slump, said Tony Avila, CEO of Avila Advisors, a San Francisco-based investment-banking firm that specializes in the homebuilding industry. Smaller companies are having trouble raising money to buy land or

build homes because lenders have tightened their credit requirements and remain bearish on housing, he said.

Development Loans

Lenders reported \$353.8 billion in outstanding construction and development loans as of Sept. 30, compared with a peak of \$631.8 billion as of March 31, 2008, according to the Federal Deposit Insurance Corp. That credit tightening has benefited large companies by decimating smaller builders that lost access to capital, Avila said.

“Every recession, the bigger builders have gained market share,” Yearley said at a Dec. 7 interview at Bloomberg’s headquarters office in New York. “The small and medium-sized builder has been blown up. I’m not saying they never come back, but they have no credit. They’re damaged goods.”

Market share for the 10 largest public homebuilders changed little from 2005, when it was 21.6 percent, through October of last year, when they had a 21.3 percent share, according to data compiled by Hanley Wood LLC, a Washington-based research firm.

“The reality is they gained market share in the most distressed markets, which is to say where the pie shrank the most,” said Zener, who expects the seven builders he tracks to record about a 4 percent drop in the number of homes sold in 2011, with the two largest -- D.R. Horton and PulteGroup -- accounting for all of the decline. “So you gained share, but you lost volume.”

Source : Bloomberg

Les prix des sciages résineux américains sont restés stables depuis les 4 dernières semaines, dû aux conditions climatiques et à une demande nationale faible. En revanche la demande chinoise est bien présente , surtout dans l'Ouest du pays. Les scieurs américains espèrent compenser la perte de leur marché national par l'export.

US softwood lumber prices practically frozen for weeks

US softwood lumber prices have mostly been showing lateral movement over the last four to five weeks. According to the news service Random Lengths, the price for the benchmark grade of Western SPF 2x4 #2&Btr KD spanned a range of \$260-270/1000 bdft from the beginning of November to the middle of December. Disruptions caused by the weather, especially on the East Coast of the USA, slowed demand to start with but for a number of days now domestic buyers' top-up purchases and the first contracts for deliveries in January have been fuelling a minor upswing in business activity. This trend is evidently being boosted by the fact that more Chinese importers have appeared on the scene. Talks are currently underway with sawmills particularly in the west of the country in which major contracts are already being negotiated for deliveries in the first quarter. The price for Western SPF 2x4 rose by \$13 within a week in mid-December and had last reached a level of \$286/1000 bdft ex mill. Irrespective of the latest price rise and individual positive aspects, as yet there are no expectations of a turnaround in business activity on the US softwood lumber market in the year ahead. The US figures for new building projects give no grounds to expect a sharp rise in demand in 2011 either. US sawmills are hoping to be able to at least partly compensate for lost sales volumes on the domestic markets by greater export activity. The US sawmilling industry managed to achieve a sharp rise in its exports of softwood lumber in 2010. Exports increased by 47% in the first ten months to 2.341m m³ (Jan.-Oct. 2009: 1.592m m³). The key factor for this growth was the increase in exports to China, the US almost quadrupling its exports to Chinese buyers to 230,261 m³ (80,075 m³). □

Les prix des feuillus américains ont montré une baisse fin 2010, mais les importateurs allemands prévoient une hausse début 2011 (notamment à cause de la hausse des coûts de transport). De plus, les prix ayant été divisés par deux en 2009, les scieurs américains comptent sur une reprise, notamment à l'export, pour augmenter leurs prix.

Purchase prices for US hardwood lumber have stabilised early this year

Demand has recovered a little from German importers' perspective

From what German importers and timber agencies are saying, hardwood lumber prices in the US have shown signs of stabilisation in the first weeks of this year. The prices of some species, especially White Oak and Yellow Poplar, had previously shown a tendency to fall rather during the course of the autumn and winter. Market insiders are attributing the new stabilisation in purchasing prices to several factors: On the one hand, overland freight rates in the US increased in the late autumn, as a result of which material from inland lumber yards and sawmills only was sold at reduced prices in scattered instances in recent times. It looks like many US lumber suppliers have been less willing recently to make price concessions, which is partly due to the limited availability of FAS quality lumber in many regions. German importers might see a further rise in purchasing prices in the next few weeks, as some shipping companies have apparently announced higher sea freights and US suppliers are usually trying to pass on these costs to lumber prices.

Hardwood lumber prices in the US underwent significant fluctuations over the last three years. 4/4" White Oak lumber FAS in falling lengths, for example, was selling at average prices of around US\$2,000/1,000bdf green tally cif North Sea port in January 2008. This price then fell by around US\$500/1,000 bdf by the middle of 2009. Prices then started to rise again, as a result of which the level shown in early 2008 was reached again by mid-2010. Following on a renewed weakening in prices in the second half of 2010, market insiders are now anticipating another uphill movement. Irrespective of these general movements, import prices are still subject to strong volatility depending on the region of origin, supplier and distribu-

tions of length, which is reflected in considerable differences between the price quotes given by importers.

As a rule, suppliers are currently demanding prices of US\$1,800-1,900/1,000bdf green tally cif North Sea port. Offers at less than US\$1,800 have apparently become an exception and prices of more than US\$1,900 are only being paid for favourable distributions of length, if at all. 5/4" White Oak is selling at US\$2,000-2,300/1,000bdf green tally cif North Sea port, according to importers. 8/4" material has not been offered or bought in larger quantities recently. Insofar as any price quotes are being given they usually range between US\$3,000-3,200/1,000bdf green tally cif North Sea port. Common quality White Oak is still almost insignificant on the German and other European markets. However, demand for such products in China is apparently growing further and prices tend to rise as a consequence. When it comes to Black Walnut, US sawmills are facing rising log prices, according to market insiders, which is reflected in price hikes for lumber. 4/4" Black Walnut FAS in falling lengths and widths is currently being ordered at prices of US\$3,300 to 3,600/1,000 bdf green tally cif North Sea port, premium material costs even more. The price quotes given for Yellow Poplar also show significant variations. While some importers recently paid prices of US\$1,050/1,000bdf green tally cif North Sea port for FAS 4/4" material, others still reported offers at less than US\$900. The price bracket for 8/4" Yellow Poplar is a little smaller: asking prices range between US\$1,070 and 1,180/1,000bdf. Hard Maple, which has only been ordered in small quantities in recent times, is selling at US\$1,750-1,950/1,000bdf green tally cif North Sea port for 4/4" FAS material.

As for the current demand for US hardwood lumber on the German market, the majority of agents and importers interviewed reported a slight recovery, after business had been extremely subdued towards the end of 2010. Sales to timber traders, in particular, improved again in recent times. Moreover, importers and agents said sales to various industry sectors, such as window scantlings and mouldings producers, had been relatively satisfactory, while demand from the parquet and furniture industry was still assessed as low. Asia, the Middle East and some regions in Eastern Europe are still showing a much more dynamic demand for US hardwood lumber than the Western European countries, according to importers that are also involved in re-export and third-party transactions.

Importers' statements vary when it comes to their own supply situation. Some companies apparently have sufficient stocks at their disposal and are able to satisfy all inquiries at short notice. Other companies seem to be facing supply bottlenecks for special grades or cut-sizes. The shipping dates for new orders for such products are as late as March/April in some cases. Several sources voiced criticism of the US sawmill industry's unwillingness to adapt to the new market requirements.

Ex port warehouse selling prices quoted by German importers at the moment are practically on par with those given in the middle of November. White Oak FAS was quoted at €600-680/m³ for 26mm material, €790-850/m³ for 33mm material and €1,000-1,100/m³ for 52mm goods. Black Walnut is said to fetch between €900 and 1,200/m³ (26mm) and €1,500-1,575/m³ (52mm). Premium material costs €1,300 and 1,870/m³, respectively. Yellow Poplar FAS 26mm is selling at €370-400/m³ for 26mm material; price quotes range between €390-410/m³ for 33mm material and €420-450/m³ for 52mm material. □

EUWID Price Watch: US Hardwood Lumber

January 2011

US\$/1,000 bdf	27.01.2011	18.11.2010	28.01.2010	% Change 2011/2010
White Oak 4/4"	1,800 - 1,900	1,780 - 1,900	1,650 - 1,700	+ 10
White Oak 5/4"	2,000 - 2,300	2,000 - 2,300	1,900 - 2,100	+ 8
White Oak 8/4"	2,900 - 3,200	2,800 - 3,200	3,000 - 3,100	± 0
Black Walnut 4/4"	3,300 - 3,600	3,200 - 3,500	3,000 - 3,500	+ 6
Hard Maple 4/4"	1,750 - 1,950	1,750 - 1,950	1,800 - 1,900	± 0
Yellow Poplar 4/4"	900 - 1,050	900 - 1,030	970 - 1,100	- 6
Yellow Poplar 8/4"	1,070 - 1,180	1,050 - 1,180	1,050 - 1,200	± 0

Import prices for US hardwood lumber, cif North Sea port
FAS green tally in falling lengths and widths

EUWID assumes no liability for the accuracy of pricing information

© 2011 EUWID Europäischer Wirtschaftsdienst GmbH
All rights reserved

II- Canada

Grâce à la certification des sapins canadiens à l'import, le marché indien s'ouvre aux professionnels canadiens. Le ministre canadien compte développer les accords bilatéraux, notamment sur d'autres essences.

Canadian lumber now available in India

Canada's Minister of International Trade Peter Van Loan has welcomed the opening of Canadian exports of spruce lumber to India.

The announcement is effective immediately and comes as a result of India's recent certification of Canada's spruce lumber for import.

Spruce, pine and fir are an important export for Canada and trade with India could grow to a significant number in the years to come.

"The Harper government's number one priority remains the economy," said Van Loan.

He added: "Achieving access to an important market such as India's sends a strong signal to Canadian companies that we are committed to opening markets for Canadian businesses and Canadian workers."

There is a large potential market for Canadian lumber in Asia. Between 2008 and 2009, the value of annual Canadian exports to China increased by 78 percent to 321.5 million dollars. In addition, continued collaboration between Canada and India in expanding access

for other types of wood could lead to rapid growth in overall Canadian wood exports to India.

A Canada-India joint study concluded that a free trade agreement could increase bilateral trade by 50 percent and boost Canada's economy by six billion dollars to 15 billion dollars annually.

Since taking office in 2006, the Harper government has concluded free trade agreements with eight countries. These are Colombia, Peru, Jordan, Panama and the European Free Trade Association states of Iceland, Norway, Switzerland and Liechtenstein.

"The Harper government will continue to take action to create jobs and economic growth for all Canadians, including workers in Canada's forestry sector," said Van Loan.

Continued collaboration between Canada and India in expanding access for other wood species could lead to rapid growth in overall Canadian wood exports to India.

Les Canadiens sont coincés entre leur désir de se débarrasser au plus vite des millions de m³ de sapin infestés par les larves de scarabées et leur accord bilatéral de 2006 avec les Etats-Unis.

U.S., Canada fight over lumber, beetles

The United States accused Canada Tuesday of violating a lumber trade deal by underpricing wood from trees killed in a massive insect infestation in British Columbia.

Washington filed the complaint on behalf of U.S. lumber producers who say their Western Canadian rivals are being subsidized though use of the cheap timber, which they say is prohibited under the 2006 trade deal.

If the United States wins the case in the London Court of International Arbitration, lumber shipped to the United States from British Columbia, Canada's largest softwood lumber producing province, could be subject to additional export taxes.

Unlike in the United States, nearly all Canadian forests are owned by provincial governments, which sell logging rights to forestry companies using often-Byzantine pricing systems that are based, in part, on the quality of the wood.

American producers complained that British Columbia has used the mountain pine beetle infestation to classify trees as having little or no lumber value when they are actually still usable by sawmills.

The beetle infestation that began in the late 1990s is estimated to have killed off trees with more than 600 million cubic meters of lumber. The tiny insects infect older lodgepole pine trees in order to reproduce.

British Columbia says the scale of the infestation is unprecedented in North America, and its pricing reflected the need to harvest the dead trees quickly - in part to control the spread of the insects.

Western Canadian lumber companies say they have invested millions of dollars in new technology to allow them to use the wood, which is difficult for sawmills to handle because the trees get drier the longer they remain unharvested.

“The United States is just trying to penalize us for our productivity,” said John Allan, president of British Columbia’s Council of Forest Industries, which says the White House only filed the complaint because of domestic political pressure.

The Canadian government dismissed the U.S. allegations as unfounded and contradicted by data that shows Canada is supplying less of the U.S. lumber market than it did when the trade deal was signed.

Allan says new U.S. trade restrictions will only increase British Columbia’s incentive to sell more of its wood to China, which will further

drive up lumber prices and hurt efforts to revive the U.S. housing construction market.

“It could be a case of beware of what you wish for,” Allan said.

The 2006 trade agreement requires Canada to collect an export tax on lumber shipped to the United States. If Canada loses the case, it would have to collect additional fees.

Industry officials say it is difficult to estimate the size of a potential fine.

U.S. producers say that in 2007, British Columbia was pricing lumber from beetle-killed trees at 25 cents per cubic metre, which was 98% less than the average market price at the time.

North America: Significant production growth in Canada

(EUWID–Boston) The noticeable rise in North American softwood lumber production shown in the second quarter of 2010 continued in the third quarter only in individual regions. Overall, production volumes in the third quarter showed a fall of roughly 2% compared to that of the second quarter. At the same time, production in British Columbia, Canada, showed a slight increase of 2%. The US Inland region also showed a further rise, this time of 6%. Production in all other regions was down on that for the second quarter.

However, in comparison to the weak level seen in 2009, production in all regions, with the exception of the US Coast region, where production stagnated, showed growth rates of between 3% and 19%. Growth in lumber production in the Canadian regions British Columbia (+19%) and East of Rockies (+15%) was significantly higher than that in the US-American regions Inland (+5%), South (+3%) and Other (+7%). Altogether, North America saw production in the third quarter of 28.072m (July–Sept. 2009: 25.731m) m³ of softwood lumber, a rise of 9% vis-à-vis the same period in 2009. Production in Canada was up by 17% and in the USA by 3%.

The cumulative total for North American softwood lumber production over the first nine months of 2010 increased by 10% to 83.198m (Jan.–Sept. 2009: 75.353m) m³. Canadian production was up by 19% while production in the USA showed a rise of only 4%. Consequently, the US share of North American softwood lumber output slid from 56.4% in the first three quarters of 2009 to 53.0% in the same period of 2010. The above-average good trend in Canada was primarily attributed to increased domestic demand towards the end of 2009 and the beginning of 2010 and the considerably higher export volume to China. □

La production nord-américaine de résineux est en hausse aussi bien au Canada, qu’aux Etats-Unis (+10% sur la période janvier-septembre 2009/2010 dont +19% pour le Canada et +4% pour les US).

III- Russie

Alors que la Russie prépare son entrée à l'OMC, ses taxes à l'exportation des grumes seront gelées à leur niveau actuel. Mais des négociations vont s'ouvrir alors, poussées par la Finlande en premier chef, pour les faire baisser au moins de moitié.

Russia freezes export duties till WTO accession

Russia's exports duties on roundwood will remain unchanged at last year's level until the country has joined the World Trade Organisation (WTO). The Russian government published decree Nr. 1190 to this effect on 29 December 2010. As such, duties in the amount of 25% of the product value or at least €15/m³ still have to be paid on all softwood roundwood exports as well as on birch roundwood. Duties of 10% of the product value or at least €5/m³ apply for poplar, eucalyptus and other hardwood species.

On 7 December 2010, Evira Nabiullina, the Russian minister for economic development, and EU Trade Commissioner Karel de Gucht signed a memorandum on Russia's WTO accession at the start of a summit between the EU and Russia in Brussels. As a part of this memorandum, Russia agrees to lower its roundwood export duties as well as railway tariffs substantially. Maxim Medvedkov, Russia's chief negotiator in dealings with the WTO, believes that the accession negotiations will be able to be completed in the first half of 2011.

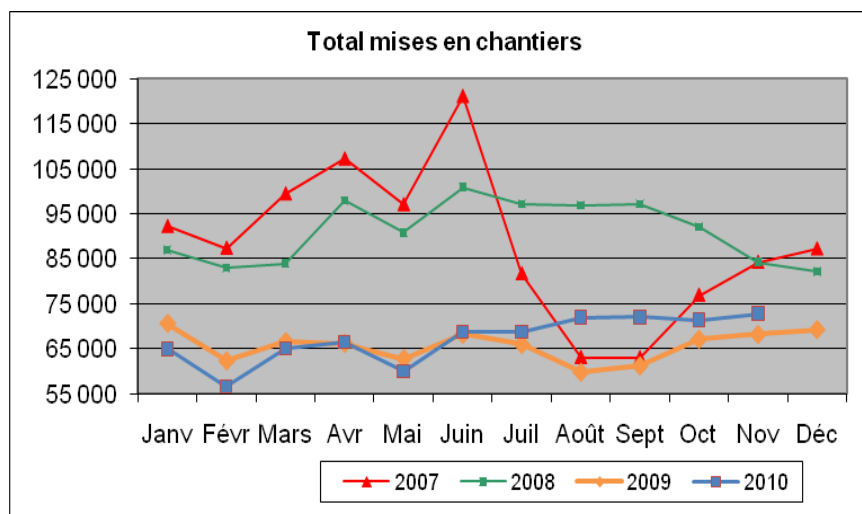
Timo Jaatinen, General Director der Finnish Forest Industries Federation (FFIF) of Helsinki, says the duties on hardwood should be lowered to as little as 25% of the current level in some instances. The duties on softwoods are to be cut by half on average. Market insiders are reckoning with an increase in Russian roundwood ex-

ports as a result of the lower duties. Russian forestry firms are set to increase their felling operations again in connection with the improved sales opportunities. Russia's roundwood exports had fallen noticeably in the last few years in connection with the originally planned increase in duties to up to 80% of the product value or at least €50/m³. □

IV- Le Japon

Mises en chantier :

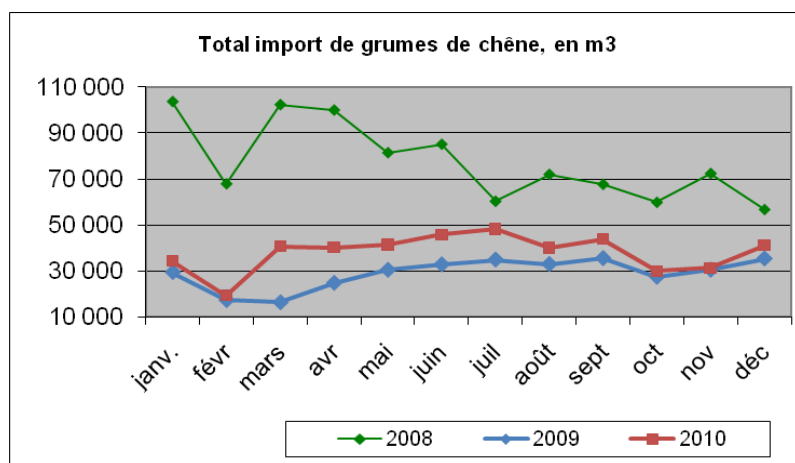
La situation immobilière au Japon reste toujours très faible, même si la fin 2010 est en léger rebond par rapport à la même période 2009. On reste tout de même très loin des niveaux de construction de 2007.



V- La Chine

a) Import de grumes de chêne :

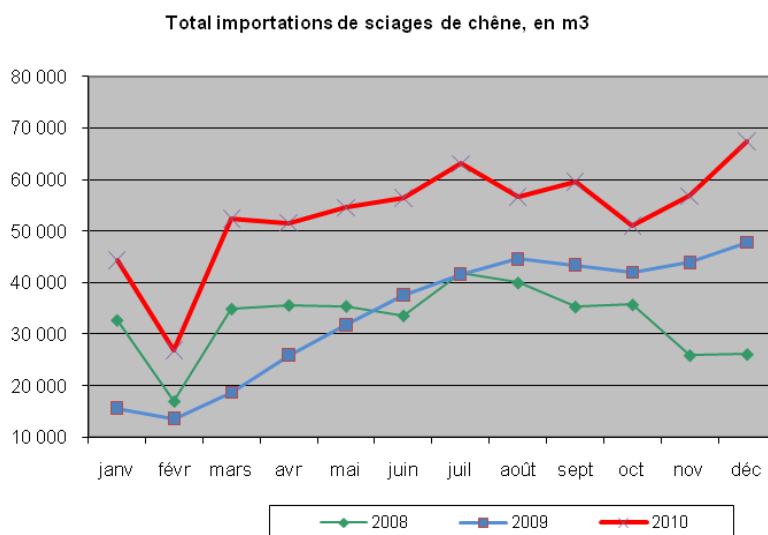
Les importations de grumes de chêne de la Chine, après avoir chuté en 2009 notamment à cause de l'implantation de la taxe russe, ont largement augmenté en 2010 grâce à de nouveaux fournisseurs européens et américains, sans toutefois retrouver le niveau de 2008.



Pays	2008	2009	Evol. 08/09	2010	Evol. 09/10	Part de marché 08	Part de marché 09	Part de marché 10
Russie	722 356	173 608	-76%	126 229	-27%	77,8	50,1	40,7
Allemagne	82 037	57 679	-30%	72 299	25%	8,8	16,6	23,3
USA	60 439	54 174	-10%	97 990	81%	6,5	15,6	31,6
Belgique	24 319	11 413	-53%	28 656	151%	2,6	3,3	9,2
Corée du Nord	3 889	1 229	-68%	1 842	50%	0,4	0,4	0,6
France	30 285	40 946	35%	101 160	147%	3,3	11,8	32,6
Canada	277	248	-10%	721	191%	0,0	0,1	0,2
Hollande	684	438	-36%	2 824	545%	0,1	0,1	0,9
autres	4 515	41 577	821%	24 262	-42%	0,5	12,0	7,8
Total	928 801	346 489	-63%	455 983	32%	100	100	100

b) Importations de sciages de chêne

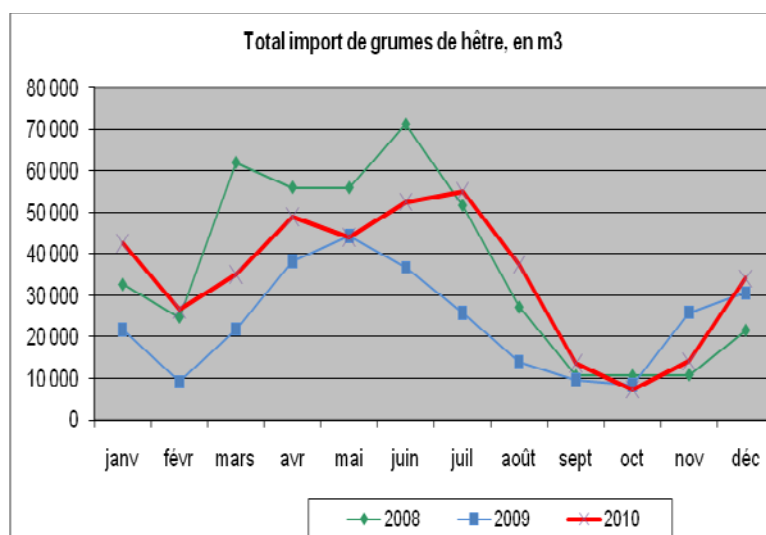
Pour compenser la perte des grumes, la Chine importe massivement des sciages ; depuis la Russie (+104%) mais aussi depuis les US (+10%) mais surtout depuis l'Europe (Allemagne et France). Les imports sont 64% supérieurs à 2009.



Pays	2008	2009	Evol. 08/09	2010	Evol. 09/10	Part de marché 2008	Part de marché 2009	Part de marché 2010
Etats-Unis	311 322	281 793	-9%	309 468	10%	66,9	79,0	59,9
Russie	36 517	73 637	102%	150 256	104%	15,4	11,2	29,1
Corée du Nord	1 090	76	-93%	508	568%	3,0	0,3	0,1
Allemagne	5 235	3 267	-38%	17 124	424%	4,2	1,7	3,3
Japon	771	973	26%	715	-27%	0,7	0,2	0,1
Canada	2 747	3 108	13%	5 452	75%	0,9	0,8	1,1
France	2 202	2 743	25%	18 058	558%	1,2	0,6	3,5
Autres	21 456	11 570	-46%	14 815	28%	6,9	6,3	2,9
Total	342 264	314 847	-8%	516 396	64%	100	100	100

c) Importations de grumes de hêtre

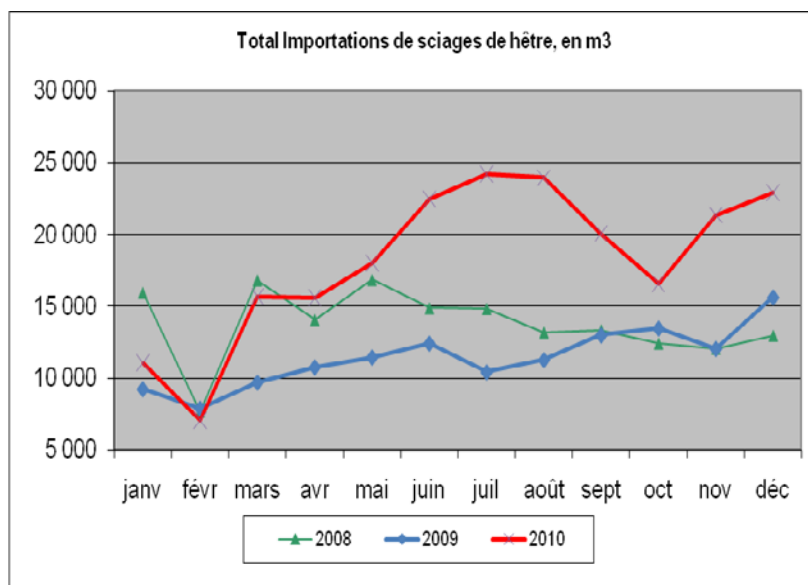
44% supérieurs aux importations de 2009, mais légèrement en deçà de celles de 2008, les imports de grumes de hêtre ont augmenté depuis tous les pays fournisseurs, notamment l'Allemagne, qui, pourtant, voyait ses exports vers la Chine baisser tous les ans de 30%.



	2008	2009	Evol. 08/09	2010	Evol. 09/10	Part de marché 2008	Part de marché 2009	Part de marché 2010
Allemagne	192 717	111 732	-42%	193 901	74%	44,3	39,1	47,2
France	60 906	71 518	17%	87 336	22%	14,0	25,0	21,2
Belgique	34 671	13 025	-62%	20 476	57%	8,0	4,6	5,0
Danemark	9 324	10 299	10%	11 824	15%	2,1	3,6	2,9
Slovaquie	104 166	51 908	-50%	63 045	21%	24,0	18,1	15,3
Roumanie	23 810	25 741	8%	31 315	22%	5,5	9,0	7,6
Pologne	946	22	-98%	221	905%	0,2	0,0	0,1
autres	8 262	1 810	-78%	3 111	72%	1,9	0,6	0,8
Total	434 802	286 055	-34%	411 229	44%	100	100	100

d) Importations de sciages de hêtre

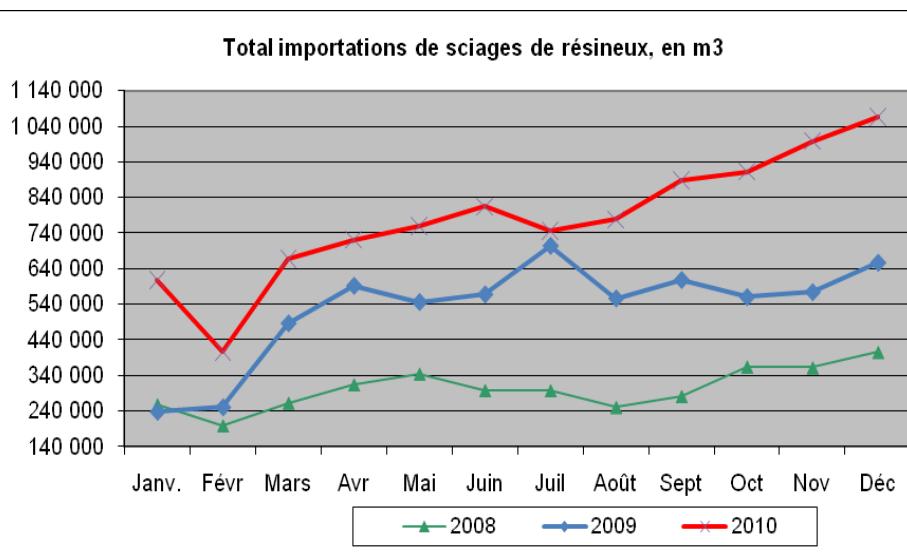
Les besoins en hêtre de la Chine augmentent chaque année. Les imports de 2010 sont près de 60% plus importants qu'en 2009. Tous les pays partenaires, surtout européens ont largement profité de ce regain d'intérêt : Allemagne et Roumanie, +49%, la France et l'Italie ont doublé leurs exports.



Pays	2008	2009	Evol. 08/09	2010	Evol. 09/10	Part de marché 2008	Part de marché 2009	Part de marché 2010
Allemagne	68 364	61 393	-10%	91 693	49%	41,4	44,7	41,9
Roumanie	66 777	49 228	-26%	73 281	49%	40,4	35,8	33,5
France	8 018	7 241	-10%	15 037	108%	4,9	5,3	6,9
Italie	3 918	2 396	-39%	5 706	138%	2,4	1,7	2,6
Autriche	3 256	3 283	1%	7 828	138%	2,0	2,4	3,6
Géorgie	929	386	-58%	337	-13%	0,6	0,3	0,2
Croatie	1 746	1 262	-28%	4 731	275%	1,1	0,9	2,2
Danemark	373	1 209	224%	868	-28%	0,2	0,9	0,4
Pologne	761	1 156	52%	1 671	45%	0,5	0,8	0,8
U.S.A.	1 277	479	-62%	148	-69%	0,8	0,3	0,1
Ukraine	256	0	-100%	0	0%	0,2	0,0	0,0
Autres pays	9 440	32 142	240%	17 768	-45%	5,7	23,4	8,1
TOTAL	165 115	137 497	-17%	219 068	59%	100,0	100,0	100,0

e) Imports de sciages de résineux

Avec la forte baisse des importations de grumes de résineux, les besoins de la Chine en sciages ont explosé. Le contrat passé avec le Canada permet des imports massifs qui complètent ceux de la Russie.



	2008	2009	Evol. 08/09	2010	Evol. 09/10	Part de marché 2008	Part de marché 2009	Part de marché 2010
Russie	1 801 770	2 828 370	57%	3 843 067	36%	49,4	44,6	41,0
Canada	1 092 402	2 408 400	120%	3 969 342	65%	30,0	38,0	42,4
Nouvelle Zélande	236 580	417 220	76%	411 929	-1%	6,5	6,6	4,4
Chili	154 493	197 582	28%	247 497	25%	4,2	3,1	2,6
Finlande	40 218	45 627	13%	68 267	50%	1,1	0,7	0,7
Etats-Unis	87 037	153 997	77%	341 511	122%	2,4	2,4	3,6
Australie	52 137	59 602	14%	59 436	0%	1,4	0,9	0,6
Suède	35 684	55 847	57%	67 026	20%	1,0	0,9	0,7
Argentine	76 739	42 172	-45%	66 126	57%	2,1	0,7	0,7
Corée du Nord	4 529	2 423	-47%	2 139	-12%	0,1	0,0	0,0
Estonie	7 243	11 260	55%	7 073	-37%	0,2	0,2	0,1
Brésil	12 646	9 372	-26%	53 292	469%	0,3	0,1	0,6
Allemagne	4 729	20 102	325%	121 230	503%	0,1	0,3	1,3
Japon	8 276	10 612	28%	11 049	4%	0,2	0,2	0,1
Autriche	9 619	44 761	365%	38 760	-13%	0,3	0,7	0,4
Taiwan	3 737	2 859	-23%	2 817	-1%	0,1	0,0	0,0
Danemark	1 917	168	-91%	74	-56%	0,1	0,0	0,0
Roumanie	317	2 298	625%	11 098	383%	0,0	0,0	0,1
France	248	743	200%	1 584	113%	0,0	0,0	0,0
Létonie	842	4 223	402%	1 836	-57%	0,0	0,1	0,0
Corée du sud	4 331	874	-80%	3 237	270%	0,1	0,0	0,0
autres	17 906	25 832	44%	43 414	68%	0,5	0,4	0,5
total	3 645 220	6 344 344	74%	9 371 804	48%	100,0	100,0	100,0

VI- Europe

Alors que l'Europe souhaite mettre en avant les énergies alternatives à moyen terme, la demande de bois devrait alors augmenter fortement dans les vingt ans à venir. L'étude montre que ce différentiel pourrait aller jusqu'à 400 millions de m³ en 2030. Elle prescrit non seulement le développement d'autres énergies « propres » mais aussi la plantation de forêt pour éviter de devoir récolter dans les forêts protégées.

Demand for wood in EU could exceed supply by 400m m³ in 2030

EUwood scenario anticipates a 35% increase in recycling demand

There is likely to be a considerable gap between the political objectives within the EU (EU-27) of significantly raising the proportion of sustainable raw materials in energy production by and above all beyond 2020 in order to reduce CO₂ emissions by roughly 20% in the long term and the theoretically available volume of raw material required to do so. The total wood requirement for recycling and as a fuel is thus probably going to rise significantly faster in 2010 to 2030 than the corresponding supply of raw material. Depending on the supply and demand development scenarios taken as a basis, demand for wood in some regions of the EU could exceed supply from as early as 2015. The potentially available volume of raw material in the whole of Europe could then even turn out to be over 400m m³ short of the requirement by 2030.

The authors of the "EUwood study" produced and recently published under the aegis of Prof. Udo Mantau of the University of Hamburg, believes that the prospect of this deficit in supply requires prompt action in order to at least reduce the gap between supply and demand if not close it completely. On the supply side, this could take

the shape of intensification of present forest utilisation, for example, or the mobilisation of existing reserves, the exploitation of raw material sources outside the classic forestry industry, or even by setting up short-cycle plantations. As for demand, the possible measures here include clear efficiency standards in energy production, for example, or the use of alternative sustainable raw materials (besides wood).

According to information from the authors, one of the main aims of the study was to give greater transparency to raw wood material markets in Europe, taking 2010 as a baseline. The key purpose of this particular objective was to add the segments of other raw materials and use as a fuel to the traditional forestry and timber industry sectors. The study succeeded in doing this for the first time for 90% of the countries. The second central goal was to point out possible scenarios that might arise by 2030 as a result of present political decisions. The study is therefore not a forecast.

The study's authors established a potential volume of 686m m³ of raw-wood across the whole

► continued on page 2

Demand for wood could exceed supply by 400m m³ in 2030

► continued from page 1

range of assortments, including non-compact wood and bark, from the forest sector within the current EU countries as a baseline for 2010. At 544m m³, the lion's share of this is accounted for by hard and softwood logs. Compared with the latest UNECE/FAO estimates of roughly 430-440m m³ for the volume of wood actually felled inside Europe in 2010, the study therefore shows there is theoretically still great unexploited potential in forests. Added to this is the supply of another 308m m³ of raw wood from segments such as wood from rural conservation, sawmill residues, and salvaged wood. As such, the total realistic potential volume of wood available last year amounted to approximately 994m m³. As for demand, the established volume for the total requirement of raw wood was 825m m³, of which 368m m³ was for use as a fuel and 457m m³ for recycling. Here, the largest consumer of wood as a fuel was the domestic fire segment with a requirement of 155m m³. The largest consumer in the recycling segment inside the EU in 2010 was the sawmilling industry with a wood intake 196m m³, followed by the pulp industry at 143m m³ and the wood-based panel industry at 92m m³. The raw-material balance for the reference year 2010 shows that the possible available volume of raw wood in arithmetical terms exceeded demand by roughly 169m m³ or approximately 17%.

On the basis of the A1 scenario identified by the Intergovernmental Panel on Climate Change (IPCC), the situation could come to a head before 2020 if, according to the authors' calculations, the volume of wood required as a fuel rises to a total of 573m m³ or roughly two-thirds compared to 2010. With an estimated requirement of 242m m³,

in this case biomass-fuelled power stations could account for more than 42% of the wood requirement in the fuel segment. Another ten years on, the wood required as a fuel could even rise to 752m m³ for Europe as a whole. Roughly half of this would be accounted for by power stations alone at 377m m³.

Besides use as a fuel, however, the study says the raw-material requirement for recycling is going to continue to rise as well in the coming twenty years. The calculation here was made on the assumption that the respective branches of industry will continue to grow with the general economy whereby only reduced rates of growth were applied. The requirement in this segment could therefore reach 529m m³ (+15.5%) in 2020 and 620m m³ (+35.4%) in 2030. Compared with the baseline figure for 2010, the calculated increase in the requirement for recycling purposes will be 162m m³ by 2030. The study thus calculates a total wood requirement of 1.425bn m³ including pellets.

The chosen assumption for illustrating the wood requirement for recycling purposes requires critical questioning, however. The sawmilling industry within the EU, for example, is expected to require almost 247m m³ of wood in 2030, roughly 50m m³ more than last year. By implication, the output of lumber within the EU would therefore have to rise as well by approximately 25-26m m³ in the same period. The growth rate used as the basis for the sawmilling industry is 1.3% per year. As this industry showed average annual growth of 2.3% for 2000 to 2007, the figure used for the scenario is well short of the recorded one. Mantau believes that the potential of the sawmilling industry in some European countries has not yet been exploited to the extent it has been in Germany, for example, and increases in hardwood are always possible.

An increase of almost 40% or 57m m³ to a litt-

le over 200m m³ is forecast in demand from the pulp industry. This extra requirement would be enough to supply roughly 20 new pulp mills in Europe, each one the size of Zellstoff Stendal GmbH's (ZSG) facility. In connection with the pulp industry, however, new product groups such as textile fibres are also taken into account besides conventional pulp. Considerable growth rates are seen in the medium term in product areas covered by the pulp industry.

The anticipated growth in demand in the wood-based panel industry is even higher in percentage terms at +47% or 43.4m m³ more than in 2010 at just under 136m m³. On the basis of recent information on the packing factors, Mantau is working from the assumption that production growth in the wood-based panel industry within the EU is going to be almost 25m m³. It is precisely the European wood-based panel industry, however, that has shut down existing production capacity on a considerable scale in the last few months alone. In addition to this, more wood-based panel plants are expected to close in Europe in the short term.

Whilst a sharper rise is expected in the requirement of wood for recycling and for fuel purposes, where supply is concerned the study assumes there is only going to be comparatively little growth, and in some cases even a reduction in supply in the forest biomass segment. The basis for the estimate of the theoretically possible volume of wood is the European Forest Information SCENario model (EFISCEN). On the basis of these model calculations, the authors also took into account a variety of general and regional framework conditions, most of which are going to lead to restrictions in the provision of wood. Examples of this are country-specific restrictions on stump clearing, the provision of additional manpower and machines for the timber harvest, and also the

► continued on page 3

► continued from page 2

actual availability of agricultural areas for short-cycle plantations. Possible effects on the volume of wood as a result of climatic changes and economic factors, such as changes in prices, are not taken into account, however.

On the basis of a medium mobilisation scenario, the potential volume of compact wood could correspondingly fall by around 1.4% in Europe as a whole to almost 537m m³ by 2030, which would also reduce the volume of bark accordingly. An increase in the potential volume of wood is not expected in the non-compact and rural-conservation wood segments, however, so that the realistic potential volume of wood from the forest sector is ultimately expected to be 747m m³. Beyond forest utilisation there is also an anticipated rise of 21.2m m³ or roughly 25% in the available volume of sawmill residues and 12m m³ in the volume of other industrial residual wood to 41.7m m³. Marked growth is also expected in the volume of black liquor (+26m m³) and salvaged wood (+15m m³). In a medium mobilisation scenario, this could raise the raw-wood potential within the EU across the whole range of sources by around 116m m³ or almost 12% to 1.109bn m³ by 2030.

In a comparison of the two medium demand and supply scenarios, the study ultimately comes to a deficit of approximately 316m m³ of raw wood in 2030. This difference could rise to up to 424m m³ with a low mobilisation rate or fall to 153m m³ with a high mobilisation rate. □

VII- L'Allemagne

a) Prix des grumes résineux en Allemagne :

EUWID Price Watch: Softwood Roundwood Germany				
January 2011				
€/fm	South/West		North/East	
	January 2011	December 2010	January 2011	December 2010
Spruce*				
Short wood 15-19 cm	80 - 84	80 - 84	77 - 82	78 - 82
Short wood 20-24 cm	85 - 91	85 - 91	82 - 90	82 - 90
Log 25-29 cm	93 - 97	93 - 96	90 - 95	92 - 95
Log 40 cm+	93 - 96	93 - 96	92 - 95	92 - 95
Pine				
Short wood 15-19 cm	52 - 58	52 - 55	57 - 61	56 - 59
Short wood 20-24 cm	60 - 65	56 - 60	62 - 67	64 - 66
Log 30-34 cm	65 - 75	62 - 70	68 - 74	67 - 73
Larch				
Log 20-24 cm	66 - 77	65 - 75	67 - 73	65 - 70
Log 35-39 cm	85 - 95	85 - 95	85 - 88	85 - 88
Douglas Fir				
Short wood 20-24 cm	85 - 92	85 - 92	78 - 82	80 - 82
Log 35-39 cm+	92 - 97	92 - 97	81 - 88	80 - 87
* Mixed prices for freshly felled logs Prices over bark, road side, centre diameter Logs in B-quality, short wood in B/C-quality				

b) Prix des sciages résineux :

EUWID Price Watch: Sawn Softwood Germany				
Mid-January 2011				
€/m ³	mid-Jan. 2011	mid-Dec. 2010	mid-Jan. 2010	% Change 2011/2010
Roof framing lumber AB	209	209	162	+ 29
Squares 8x14/16 cm < 6 m	168	165	136	+ 21
Squares 8x14/16 cm 6.50-8 m	184	180	150	+ 20
Commercial scantlings 8x8/10 cm < 5 m	160	158	125	+ 26
Commercial scantlings 10x10 cm < 5 m	158	156	122	+ 28
Commercial scantlings 10x12 cm < 5 m	158	156	122	+ 28
Commercial scantlings 12x12 cm < 5 m	162	158	125	+ 26
Laths 23x47 mm	184	184	145	+ 27
Laths 28/38x48/58 mm	180	180	143	+ 26
Deals 38/44/48x280 mm I-III	183	183	150	+ 22
Deals 38/44/48x280 mm II-III	180	180	147	+ 22
Deals 38x190/195 mm	180	180	144	+ 25
Deals 30x190/195 mm	182	182	147	+ 24
Deals 38/48x240/245 mm I-III	182	182	147	+ 24
Deals 38/48x240/245 mm II-III	179	179	142	+ 26
40-50x250-280 mm, S10	200	200	167	+ 20
Boards 23 mm narrows	127	120	82	+ 46
Boards 23 mm wides	136	132	95	+ 39
Boards 18/28/38 mm wides	147	138	110	+ 25
Boards 23 mm ends	108	103	70	+ 47
23x80 mm, sawfalling	140	132	95	+ 39
23x100-140 mm, sawfalling	145	137	102	+ 34
18 mm narrows, falling widths, long	132	130	94	+ 38
18 mm ends	118	110	78	+ 41
17x78/98 mm II-III/IV, long, sawfalling	158	145	115	+ 26
Rough boarding 23x100-160	3.82	3.82	3.2	+ 19
Dutch boles	180	180	145	+ 24
Rack/scaffold boles S10	200	200	169	+ 18
38 mm Gluelam stock, unseasoned	192	192	167	+ 15
KVH squares < 200 mm, KD	187	187	162	+ 15
40/50/60 Boules	360	360	310	+ 16
Rough-planed boards 23 mm I-III	210	210	190	+ 11
Prices apply to sawn spruce, fresh, free buyers yard; complete or half load standard commercial assortment				

c) Marché du meuble :

Le chiffre d'affaire du marché du meuble allemand a augmenté de 7,3% entre 2010 et 2009 (sur la période janvier-novembre), aussi bien sur le marché national qu'à l'export. Après une baisse de 23% du chiffre d'affaire en 2009, les commandes ont repris fin 2010, et se prolongent début 2011 pour le meuble de bureau retrouvant une situation économique stable. Sur les marchés export, ce marché est semblable pour la France, l'Autriche et la Suisse, en revanche il est encore faible sur la Hollande et le Royaume-Uni. Sur le marché de la cuisine, la demande est toujours en baisse fin 2010/ début 2011. Les acteurs espèrent tout de même un léger retour à la croissance en 2011. Mais un problème plus important que les commandes inquiète les industriels, les prix des matériaux augmentent (notamment les panneaux laminé blanc).

Furniture industry: Turnover up by 7.3% in November 2010

According to the German Federal Statistics Agency in Wiesbaden, revenues generated by German furniture manufacturers in November 2010 showed higher growth than that of the previous months and a year-on-year increase of 7.3% to €1.564bn, accounted for equally by domestic (+7.3%) and foreign (+7.4%) business. The "Other home furnishings" sector, which covers mainly cabinet furniture, showed very strong growth of 18.7% in November. However, 9.2% more businesses contributed to the statistics than in the previous year. In contrast, in the upholstered-furniture sector, 30.9% fewer companies were included in the statistics than in November 2009; turnover was accordingly down by 12.1%. A significant improvement of 7.9% in turnover was also shown in November by the kitchen-furniture industry, while revenues in the office-furniture industry were up by 4.7% and among mattress manufacturers by a marginal 0.4%. Turnover for producers of shop and other contract furniture was down by 3.8%, mostly accounted for by the decline in domestic sales (-5.8%).

As a result of the considerable improvement in November, cumulative turnover among furniture manufacturers for the first nine months of 2010, at €14.463bn, showed a year-on-year rise again of 1.6%. Domestic sales achieved a slight plus of 1.3% to €10.525bn, while export sales were up by 2.1% to €3.94bn. In the first eleven months of last year, only producers of "Other home furnishings" (+10.1%) and kitchen furniture (+1.3%) showed positive trends in turnover, while the other sectors office furniture (-2.6%), shop and other contract furniture (-3.9%), mattresses (-2.3%) and upholstered furniture (-14.1%) all saw falling revenues. □

Office furniture producers make good start in 2011

Most German manufacturers of office cabinet furniture started 2011 with a year-on-year increase in order books. Following quiet order receipts for many in the first week of January, explained by producers with the public holiday on 6 January and the late end to the Christmas holidays in South Germany, demand for office cabinet furniture is now increasing again. The positive trend seen in the last quarter of 2010 has therefore continued in both main-line and contract business. Project business in particular is seeing an increasing volume of enquiries. Following a rise in orders in October, most office-furniture manufacturers were also able to achieve a significant year-on-year rise in order volumes in November and December. The trend in demand in business at the end of 2010 therefore met the very high expectations. The majority of companies showed year-on-year growth in both order receipts and turnover for the whole of 2010.

According to the Verband Büro-, Sitz- und Objektmöbel (BSO – Office, Seating and Contract Furniture Association), based in Wiesbaden, Germany, although the branch suffered a considerable decline in revenues of 23% in 2009, the situation stabilised again in 2010. At the end of October 2010, the branch was reckoning on a slight rise in revenues for the whole of that year. More recent statistic analyses are not yet available.

Demand from abroad in the last few weeks has on average been steady to slightly rising. The economic situation in important foreign sales markets such as Austria, Switzerland and France has improved to a similar degree to that in Germany. Demand for office cabinet furniture continues to be weak in the Netherlands and Great Britain. □

Kitchen furniture: Order situation should show improvement soon

Order receipts among German kitchen-furniture manufacturers have been described as too weak both in the fourth quarter of 2010 and in January so far. Values for many companies have shown a year-on-year decline. On account of price hikes which took effect at the turn of the year, there was to some extent a bringing-forward of orders to December 2010, which led to higher order receipts for that month, though this was only true for individual companies. December also mostly showed year-on-year decline.

Business in the German kitchen-furniture trade, which was affected in December by the difficult transport conditions, has evidently revived again at the beginning of 2011. Producers report that the situation is similar in other European countries. Rising order receipts in industry are only being reckoned on with the customary delay of several weeks. Various companies have dealt with the relatively low level of order books by extending company holidays over the turn of the year up to and including 9 January. This will be reflected in correspondingly low January turnover. However, most kitchen manufacturers are budgeting for a slight year-on-year improvement in both order receipts and turnover for the whole of 2011.

Kitchen-furniture producers see the current rise in costs as more problematical than the trend in orders. Prices for wood-based materials in particular, especially for white laminated particleboard, increased more sharply at the beginning of 2011 than previously expected. Further hikes have already been planned by wood-based-material producers for the coming months. As at the same time it is no longer possible to conclude longer-term contracts at fixed prices, planning security has also been reduced. □

Germany: Furniture Industry

November 2010

in 1,000 €	Sales		Companies		Sales		Companies	
	November 2010	% Change 10/09	November 2010	% Change 10/09	Jan. - Nov. 2010	Ver. % 10/09	Jan. - Nov. 2010	% Change 10/09
Office and shop furniture	316,394	+ 0.7	138	- 5.5	2,827,105	- 3.2	137	- 6.7
of which office furniture	179,394	+ 4.7	62	- 11.4	1,594,493	- 2.6	62	- 11.7
of which shop furniture								
and other contract furniture	137,000	- 3.8	76	± 0.0	1,232,610	- 3.9	75	- 2.2
Kitchen furniture	385,878	+ 7.9	55	- 3.5	3,526,866	+ 1.3	55	- 3.2
Matresses	74,462	+ 0.4	31	- 6.1	689,200	- 2.3	31	- 5.8
Home furniture	787,445	+ 10.6	311	+ 2.0	7,419,322	+ 4.0	311	- 0.1
of which unholstered furniture	165,506	- 12.1	38	- 30.9	1,543,189	- 14.1	38	- 30.7
of which other home furniture	621,939	+ 18.7	273	+ 9.2	5,876,134	+ 10.1	273	+ 6.5
Furniture industry	1,564,180	+ 7.3	535	- 1.1	14,462,492	+ 1.6	535	- 2.5

Source: Statistical Office, ISTAT

VIII- La Suède

Södra convertit une scierie de pin en une scierie de feuillus (chêne et bouleau) au 1er avril, d'une capacité de 35 000 m³. Les feuillus proviendront essentiellement de la région de Götaland. Les sciages chêne serviront à alimenter l'usine de meubles de Södra interior.

Södra to convert Traryd sawmill into new hardwood sawmill

The Södra Timber Traryd sawmill is being converted from pine sawing to sawing all varieties of hardwood. At the same time the Södra Interiör business area will take over the sawmill from Södra Timber on 1 April. Until then, pine will be phased out, and at the same time a log store comprising mainly oak and birch will be built up, as the company said in a press release received by Lesprom Network.

"We are pleased to see that our strategy, which involves offering products made using all the hardwood varieties growing in Götaland, is starting to gain ground among consumers. We have a strong need for oak at Södra Interiör thanks to an increase in customer demand. Moreover, we are seeing an interesting and growing market for birch products both in Sweden and on the continent," said Håkan Svensson, CEO of Södra Interiör.

The target is to saw 35,000 cubic metres (solid volume under bark) this year. This volume is expected to grow over the next few years. The sawmill will also start sawing aspen, ash, alder and beech later this year.

"Demand for aspen and alder is already so great that we could basically sell as much of it as we can get the raw material for," continued Svensson.

"We have also started to see greater sales of ash and beech via our sales of bonded panels, for example."

The sawmill in Traryd will supplement Södra Interiör's hardwood sawmill in Djursdala, outside Vimmerby, where operations are not affected by the takeover. The objective is for the Traryd sawmill to buy in its raw materials from the west and south of Götaland and for Djursdala to get its raw materials from the east of Götaland

IX- La Norvège

Bien que la récolte forestière norvégienne ait été assez forte, (7,68 millions de m³ en 9 mois en 2010), les prix des grumes ont augmenté de 15% par rapport à la même période 2009 à 370 NOK/M3.

Further rise in industrial wood prices in Norway

Although the comparatively brisk felling activity by Norwegian forest owners last year continued beyond the end of autumn, it has slowed a little again in the last few months. According to information from the Norwegian agricultural office Statens landbruksforvaltning (SLF) of Oslo, a total of 7.68m m³ (Jan.-Nov. 2009: 6.19m m³) of roundwood was felled in the first eleven months of last year in Norway, which represents growth of roughly 24% against the same period of the previous year.

In October/November the increases in felling were no longer as pronounced as they had been in the preceding months. At a combined figure of 1.38m m³ (1.18m m³) roughly 17% more roundwood was felled in these two months than in the same period a year earlier. The growth in the third quarter of 2010 had been considerably higher at +30%. On the basis of provisional figures the Norwegian forest owner association (Norges Skogeierverbund) of Oslo anticipates a total felling volume of around 8.4m m³ for 2010 as a whole. This would represent an increase of roughly 24% against the year before in which the felled volume of logs in Norway amounted to some 6.78m m³. A total felling volume of over 8.4m m³ was last achieved in 2005 (8.451m m³). The average felling volume in Norway in the last 10 years was approximately 7.6m m³.

Average price for the whole range increased by +15%

SLF says the average price for the whole range of log assortments in November remained largely stable at the previous month's level at NOK371/m³ (October 2010: 370/m³). This represents a percentage increase of +15% against the previous year's level, however. This sharp rise is mainly attributable to a rise in prices for industrial wood whereas the prices for spruce and pine trunkwood recently slipped again slightly against the preceding months. The latest increase in prices for industrial wood in Norway in November has taken prices up to the highest level for industrial wood in 20 years.

According to SLF, spruce trunkwood reached a nationwide average price of NOK462/m³ (November 2009: 425/m³) and the equivalent assortment of spruce were fetching around NOK477/m³ (453/m³). Average earnings of NOK248/m³ (201/m³) were established for industrial pine, and NOK263/m³ (212/m³) for industrial spruce. A sharp increase was registered in the price of industrial hardwood in November, rising by NOK27/m³ against October to NOK269/m³ (234/m³). □

X- L'Autriche

Alors que le marché du parquet est sinistré, l'autrichien Scheucher reporte une hausse de ses ventes de 20%, essentiellement sur l'Autriche, l'Allemagne et la Suisse. L'industriel est optimiste sur ses ventes en 2011, et prévoit même une certification PEFC et FSC.

Parquet Manufacturer Scheucher Reports Record Sales

In its anniversary year 2010, Scheucher timber industry could achieve a sales increase of around 20% compared with the previous year. The Austrian manufacturer of the flooring brands Steirer Parkett and Impression attributes the good result to a very positive development at the basic markets of Austria, Germany, Switzerland and a slow regeneration of the east European market. These effects let grow total sales to € 35 million. Production output amounted to 1.4 million m².

For 2011, the company looks ahead very optimistically. "There is an increasing potential at the basic markets", said Johann Graupp, marketing director of Scheucher. All parquet products of the company are tested on the

sanitary harmlessness and also accredited by the German Institute for Building technique DIBt. Scheucher is one of few multi-layer parquet producers having general accreditation approved by the building authorities for all its products. Next step, company is preparing, are the FSC and PEFC certification. Both certifications are in the end phase and will be completed in the course of the first quarter 2011.

At Domotex, the assortment of the brand Impression was expanded with Valsega. Visually the surface is similar to a band saw cut. Scheucher offers Valsega in the wood species Oak (smoked and nor smoked), Ash and oak smoked as wide plank.

Prix des grumes résineuses autrichiennes:

LWK Price Watch: Softwood roundwood Austria			
(€/m ³)	December 2010	November 2010	December 2009
Spruce			
Sawlogs 15-19 cm	62 - 77	62 - 77	52 - 63
Sawlogs 20-24 cm	81 - 94	80 - 92	67 - 83
Sawlogs 25 cm+ (up to 20 m)	86 - 97	86 - 97	75 - 82
Pine			
Short wood 20-24 cm	55 - 71	55 - 71	52 - 61
Larch			
Short wood 20-24 cm	60 - 117	60 - 117	60 - 110
Short wood 25 cm+	90 - 140	90 - 140	90 - 140
Industrial roundwood			
Pulpwood for mechanical pulping	35 - 44	35 - 44	32 - 39
Fibrewood	28 - 36	28 - 36	25 - 31

Toujours aucune reprise sur le marché du résineux en Angleterre, la consommation est très faible, les stocks relativement importants et les importateurs ne commandent que pour des besoins immédiats.

British lumber market has not recovered by the middle of January

Suppliers announce price hikes for second quarter deliveries

The British market for imported softwood lumber has registered no significant increases in demand in the first two weeks of January. From what market insiders say business is more subdued than otherwise usual at this time of the year. In some instances, contracts for the first quarter were only able to be signed at the beginning of this year. In previous years such deals had usually been inked in the fourth quarter of the year before. The extremely low lumber consumption has an adverse effect on buying in addition to seasonal factors. Housing construction has remained weak in recent times as well. As a result, demand for carcassing is low as well. On the other hand, the renovation sector is apparently a little stronger, as a result of which demand for carpentry grades has improved slightly.

Timber merchants as well as timber converters are usually only ordering as their immediate needs dictate at the moment, against the backdrop of the low overall lumber consumption. Buyers also say that their existing stocks on hand were sufficient to cover their current requirements. It remains to be seen how demand for further processed goods will develop in the next few weeks. At the same time, purchasing was said to be relatively problem-free. As such, buyers see no reason to add significant volumes to the lumber stocks at the moment. However, most buyers' stocks are said to be lower than at the beginning of the last few years.

Market insiders are reckoning with recovery in the British lumber market from March at the earliest. As a rule, demand is expected to pick up in the second quarter. Sales of decking and garden timber, in particular, should increase then for seasonal reasons.

Subdued demand currently stands alongside

sufficient supplies. Production curtailments in the Scandinavian sawmill industry have not yet led to any supply bottlenecks. Moreover, considerable volumes of lumber are still stored at British port terminals, which are sometimes offered in the market at similar prices as in contracts with terms of two or three months. The market was affected by excessive terminal stocks as early as the fourth quarter.

Business on a pound sterling basis has become less profitable for Swedish suppliers in the last few months, as the krona has gained in value against the pound. Smaller lumber producers, in particular, have scaled back deliveries to the UK as a result. Baltic producers, in particular, were able to gain market share in the UK against this background, as the euro has lost in value against the pound.

The UK market prices for imported softwood lumber have fallen noticeably until December, against the background of high supply and relatively low demand. Market insiders are reporting similar price erosions for both rough-sawn and planed lumber. Prices fell by around £10-15/m³, depending on the starting level, compared with the third quarter. The prices of spruce sixth even fell by as much as £25/m³. In January prices have now largely stabilised at that new level. Scandinavian pine lumber u/s currently costs around £220/m³ f.o.m. Fifties are selling at £188-192/m³. Sawfalling spruce lumber is fetching £181-183/m³ and sixths are being quoted at £157-163/m³ f.o.m. in each case. Those prices apply through March. For the second quarter, suppliers have already announced price hikes of up to £7/m³. The implementation of these increases will depend on the development of demand in the UK as well as on other important sales markets. □

XII- Espagne

La demande de résineux en Espagne est toujours faible, les acteurs n'espèrent une légère reprise qu'en fin d'année 2011.

Demand for lumber in Spain has not improved fundamentally in January

Redwood prices fell by as much as €20/m³ since December

Demand for Nordic softwood lumber on the Spanish market has shown no fundamental improvement in January, either. As such, business has remained very subdued at the start of this year as well, after demand had already been low throughout the whole of last year. The lasting weakness in new homes construction continues to impede any increase in lumber consumption. In 2010, new homes completions in Spain dropped to just around one-sixth of the record numbers reached in the years 2007 and 2008. Building activity is not expected to improve fundamentally this year or next year, either. Moreover, the lasting economic and financial crisis additionally affects lumber business in Spain. Some market insiders are only expecting sales opportunities to improve in the second half of this year.

In the fourth quarter of last year, importers and timber traders had closed hardly any contracts for delivery in the first quarter of 2011. Buyers were trying to keep their stocks as low as possible at that time. Against this backdrop, some sources had expected a certain need to replenish stocks at the beginning of this year. However, dealers still seem

to be able to satisfy their customers' inquiries from existing stocks at the present time. As such, buyers are still showing little interest in closing new contracts. Insofar as any deals are being inked, they usually span a term of one or two months.

Sales are sluggish in all parts of Spain at the moment. In the north, where most timber converters are located, sales are practically steady at the low level shown in the last few months. Hardly any lumber is being sold in the south of Spain as well as on the Balearic and Canary Islands at the moment.

Low demand currently stands alongside excessive supply of most grades on the Spanish market. The production curtailments carried out by the Scandinavian sawmill industry have not had any significant impact on availability so far. From what importers say, the curtailments will only be felt in the market from the end of February. If demand picks up for seasonal reasons then, supply shortages might materialise quickly.

The excess supply is particularly pronounced at the moment where redwood lumber is concerned.

Especially Swedish sawmills apparently have substantial stocks of finished lumber at their disposal at the moment, according to market insiders. As such, suppliers have reduced lumber prices from December-levels in scattered instances in order to speed up sales. The sharpest reductions of €20/m³ were shown by pine u/s. The prices of all other lumber grades have typically levelled off at the lower end of the price bracket that was valid in December. Market insiders voiced criticism of the price reductions by saying that lower prices would not create additional demand. The whitewood market is said to be more balanced. As a result, spruce lumber prices largely moved sideways in January. Suppliers believe that they will be able to raise both pine and spruce lumber prices again in the second quarter, in connection with the then probably limited supply of Nordic lumber and growing demand.

Swedish pine lumber u/s is now selling at around €270/m³ cif Mediterranean port. Fiftths cost €240/m³ and Sixth €210/m³ cif Mediterranean port in each case. Finnish pine lumber u/s is roughly €15/m³ more expensive than Swedish material. Swedish spruce lumber, sawfalling is now fetching around €245/m³ cif. Finnish whitewood lumber costs around €10/m³ less. The prices of Sixths span a relatively wide range of €180-200/m³ cif Mediterranean port. □

XII- Nouvelle-Zélande

Alors que les scieries continuent de fermer, la Nouvelle-Zélande exporte de plus en plus de grumes de résineux, notamment vers la Chine.

Logs 'Rule' In Forestry Exports - An Industry Of Two Halves

As the NZ wood products sector faces sawmill closures and job losses the forest harvesting sector is enjoying a booming 22 million cubic metre (m3) annual log harvest. Forest Industry Contractors Association (FICA) Chief Executive John Stulen says, "We are absolutely booming with forest harvest production right now with high volumes of export logs going to ports like there is no tomorrow." Mr Stulen adds, "This is a great outcome for the forestry half of the forest products industry - but it is now an industry of two halves." Over the past two years there have been many sawmill closures leaving something like half of that sector viable compared with pre-recession levels. Mr Stulen warns of the boom - bust habit which

the forestry sector is in. "The market is fast becoming fragile, too focused on one product - export logs." There is a risk of a continued reputation in forestry and wood products employers for boom/bust business activity. Past export booms and the corresponding busts have seen forestry frowned upon as a career choice by young people looking for certain futures. Mr Stulen says, "For many new entrants into forest contracting and for the less experienced employees working in the bush right now - there is no tomorrow - there is only today while the boom is happening." With Chinese New Year celebrations beginning this week forestry contractors should expect a lag effect as our single largest export market takes a breather.

More job losses in timber industry

Les problèmes de l'industrie néo-Zélandaise, sont multiples : crises immobilières, crise internationale, taux de change, mais aussi hausse des prix des grumes, manque de productivité et politique économique défavorable.

The union representing workers in the wood industry has called for government action after 44 redundancies were announced at the Tangiwai Sawmill, the latest in a string of job losses in the sector. WPI has reduced its Tangiwai Mill workforce by 80, including today's 26 voluntary and 18 compulsory redundancies. This follows the mothballing of its Prime Sawmill in Gisborne and 26 job losses at Carter Holt Harvey's Kawerau Sawmill, both announced late last year. Robert Reid, general secretary of the National Distribution Union, said other companies also wanted to meet with the union to discuss scaling back production caused by the economic issues confronted by the industry. But he said that as the industry laid off workers, the Minister of Forestry David Carter was missing in action. "Many of the

industry problems that have been identified to NDU are a result of government macro-economic policy settings, rather than efficiency or productivity issues in the industry itself," Mr Reid said. He re-iterated his call from December 16 last year for the government to convene an urgent meeting with industry and unions to see what can be done. "The price of raw logs is going up and up, but the price at which New Zealand can sell processed timber is going down. This, together with the high NZ dollar puts the value-added strategy at serious risk." "One of New Zealand's major export industries is in crisis. It is not acceptable for David Carter to sit back. It is time he came off holiday mode, rolled his sleeves up, and addressed the job losses in the industry." Mr Reid said that he had written to the minister today asking him to do this.

Hong-kong achète la forêt de radiata du Nord de la Nouvelle-Zélande.

Hong Kong investor in multi-million dollar NZ forestry buy-up

Greenheart Group, a forestry investment company, plans to issue new shares in Hong Kong a part of a US\$77 million buy-up of Mangakahia forestry assets in New Zealand's Northland region. Hong Kong-listed Greenheart plans to raise US\$37 million through a share issue to buy 11,000 hectares of radiata pine forests once-owned by Carter Holt Harvey, from its own major shareholder, China's Sino-Forest. The US\$40 million balance will be funded through a loan either provided by or guaranteed by Sino-Forest, the company said in a statement on Monday. As part of the agreement, Greenheart has the option to sell up to US\$210 million worth of timber products to Sino-Forest over the next three years, but isn't obliged to if it can achieve better prices elsewhere. Canadian-listed Sino-Forest has some 726,000 hectares of tree plantations across China, and the deal will look to leverage the Chinese company's sales and marketing clout in the world's most populous nation. That will leave Greenheart to focus on building a forestry portfolio that it will own and manage. It currently owns forests in Suriname, in South America. "China's demand for New Zealand radiata pine has increased significantly with New Zealand being the second-largest exporter of softwood into China after Russia," Greenheart chief executive and Sino-Forest vice-chairman Judson Martin said in a statement. "Bringing these New Zealand assets into our portfolio is the first major

initiative of our profitable investment and sustainable growth strategy for 2011." Log, wood, and timber exports surged almost 25 per cent to \$2.87 billion in the 12 months ended November 30, according to government data released yesterday. Strong demand in China has underpinned New Zealand's increased offshore earnings, as have rising timber prices amid increased export tariffs on Russian softwood logs. This is Sino-Forest's second attempt at partial ownership of the Mangakahia forest, after the joint venture with Taumata Plantations Ltd., which bought most of the CHH forestry assets in 2006, ended last year. Sino-Forest took a majority 59 per cent in Greenheart, formerly Omnicorp, last year, and a further 1 per cent is held by Hong Kong private equity fund managers General Enterprise Management Services International (GEMS), which holds a seat on Sino-Forest's board. While foreign ownership of local farmland has been a touchy issue as the ill-fated bid by Hong Kong's Natural Dairy (NZ) Holdings to buy the Crafar family's dairy portfolio roused nationalistic sentiment, forestry sales have been relatively ignored. The opposition to the Crafar farms sale forced the government to do a U-turn in its review of the Overseas Investment Act, resulting in Ministers having the power to veto large scale ownership of farmland and vertically integrated companies in primary production.