

NEWS ON SUPPLY

The availability of Dark Red Meranti (DRM), Bangkirai and Merbau, in typical Dutch sizes, remains very low. Exporters, apparently, have little to offer CNF Rotterdam and certain sizes seem impossible to get.

Now, shorts are all taken up by Malaysian factories for the production of finger jointed scantlings and traders say that strips are also extremely difficult to find now because the South African market is very buoyant and willing to take lower grades.

Reports suggest that the Thai market is currently extremely keen on Merbau flooring strips (1 x 3) now that the supply of Merbau/Kwila from West Irian Jaya and Papua New Guinea is becoming more difficult. It is said that in PNG certain EU projects for production of green timber intended for the Dutch and German market have failed.

With Merbau in short supply in Peninsular Malaysia, traders report that offers from producers for various Dutch sizes, including the flooring strips/flooring boards 1 x 6/7/8", are few and far between and the CNF Rotterdam prices are still moving up. Also the CNF price level for various Meranti sizes for the Dutch market remain extremely firm.

This buying interest in Holland for 3 x 5", for instance, has been cool for several weeks and there are no reports of significant volumes in 3 x 5' being sold to Holland and yet prices for both Bukit and Seraya are holding firm. In the view of importers in Holland this demonstrates that the log supply situation in Peninsular Malaysia is indeed tight.