

DAILY NEWS / GLOBAL TRENDS / MARKET ANALYSIS / FORESTRY / LUMBER / SAWMILLING / WOOD PRODUCTS / AFRICA / EUROPE / GLOBAL

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## Demand for African tropical timber weakens in Europe

*The impact of pandemic control measures have hit West African timber producers across the region hard, coming as it has at a time when demand in the traditional markets, especially in Europe, were already under pressure from lower consumptions, changes to other materials and over production of some species.*

The weakened EU economies resulted in declining wood product imports from all sources and exports from China to the main western markets have, naturally, dampened demand for the raw materials sourced from West Africa.

In Gabon it has been estimated that about 40% of the Chinese owned mills have stopped production. Mills in Gabon, Congo and Cameroon that are still operating have cut production by as much as 70% of pre-pandemic levels in some cases.

Producers are aware that when the consumer economies recover from the impact of the pandemic they will face the challenge of diversifying marketing, paying more attention to India, Middle East countries, Vietnam, the Philippines and new players in South America.

### **Calls for support for the timber sector**

In a meeting with the Cameroon Minister of Forestry and Wildlife, Giorgio Giorgetti, the president of the local timber exporters' Association Groupement de la filière bois du Cameroun (GFBC), proposed measures the Association believes could mitigate the devastating impact of the corona virus pandemic on the timber sector.

The Association suggested reducing Customs duties on processed wood products to below 6% from the current 10%. The Association also proposed a postponement of the deadline for payment of the second and third quarter annual forest tax for 2020.

Companies in Gabon had been promised financial assistance to ease the effect of the pandemic but operators are still waiting for the disbursements so they can continue to provide wages to workers who are either laid off or who work part-time.

### **Pandemic update**

It has been close to three months since the first case of the coronavirus was confirmed in Africa. The WHO has shown infection curves in Africa are currently flatter than in Europe or the US. In contrast to what was predicted for Africa, the epidemic has not spread out of control and health systems have not been overwhelmed but there are challenges ahead.

In Cameroon, in a period of three months, the number of reported cases rose to more than 6,500 with more than 200 deaths. However, Professor Eugène Sobngwi, VicePresident of the Scientific Council in the Ministry of Health told a news gathering that the health system is coping at present.

The Democratic Republic of Congo is facing a double challenge, from the corona virus and from a recent Ebola outbreak. The WHO has said it is confident the Ebola outbreak in Equateur Province can be contained as treatments are now available.

Liberia has made good progress in containing the spread of corona virus and has signaled an intention to open its international airport in late June. The state of emergency ended on 9 June however, the night-time curfew remains in place.

The number of infections in Ghana was over 11,000 in early June. The authorities have announced that borders will remain closed but that academic institutions are now allowed to reopen with strict health protocols. It has been reported that the Minister of Health, Kwaku-Agyemang Manu, has been infected.

As of 10 June Gabon's corona virus infections stood at 3,375 with around a third being detected in the first two weeks of June. Compounding the challenge of holding down corona infection rates is the effort now needed to address a measles outbreak in the Bitam and Mayoumba districts.

### Log Export Prices

<b>West Africa logs, FOB</b>	<b>€ per m<sup>3</sup></b>		
<i>Asian market</i>	LM	B	BC/C
Acajou/ Khaya/N'Gollon	265	265	175
Ayous/Obéché/Wawa	250	250	225
Azobe & Ekki	275	275	175
Belli	270	270	–
Bibolo/Dibétou	215	215	
Bilinga	275	275	-
Iroko	300	280	225
Okoume (60% CI, 40% CE, 20% CS) (China only)	220	220	200
Moabi	365	365	285
Movingui	210	210	-
Niove	160	160	–
Okan	200	200	–
Padouk	250	230	200
Sapele	260	260	200
Sipo/Utile	260	260	230
Tali	300	300	–

### Sawnwood Export Prices

<b>West Africa sawnwood, FOB</b>		<b>€ per m<sup>3</sup></b>
Ayous	FAS GMS	440
Bilinga	FAS GMS	540
Okoumé	FAS GMS	460
	Merchantable	310
	Std/Btr GMS	310
Sipo	FAS GMS	500
	FAS fixed sizes	-
	FAS scantlings	520
Padouk	FAS GMS	640
	FAS scantlings	675
	Strips	320
Sapele	FAS Spanish sizes	450
	FAS scantlings	480
Iroko	FAS GMS	600
	Scantlings	660
	Strips	350
Khaya	FAS GMS	480
	FAS fixed	540
Maobi	FAS GMS	620

	Scantlings	640
Movingui	FAS GMS	420