

# The supply of merbau from range states through to end-users in the Netherlands – A summary of salient information

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Table 1 Production and exports from range states<sup>1</sup>

	Log production during given [year]		Exports – estimated roundwood equivalent volume during 2006 or in given [year] <sup>2</sup>		
	Merbau <sup>3</sup>	All logs from natural forest for timber sector	Merbau: Logs + Sawn wood <sup>4</sup>	Merbau: All products <sup>5</sup>	All timber products from natural forest <sup>6</sup>
	('000 m3)	(million m3)	('000 m3)	('000 m3)	(million m3)
Indonesia	257+37 [2005]	c.40 <sup>7</sup> [2004]	N/A + 100 [2006]	180	17
Peninsular Malaysia	79 [2004]	4.3 [2002] <sup>8</sup>	0+50 [2004]	70	3.4
Sabah	10 [2004]	5.9 [2005] <sup>9</sup>	2+8 [2004]	10	5.2
Sarawak	2 [2004]	11.9 [2006] <sup>10</sup>	0	0	14
PNG	23 [2002]	2.9 [2006] <sup>11</sup>	89 [2006] +30 [2004]	120	2.7

Table 2 Imports from range states and third countries<sup>12</sup>

	Rounded estimates of roundwood equivalent volume during 2006 ('000 m3)				
	Logs	Sawn wood	Mouldings	Joinery	Others
China	60	90	5	0	0
India	40	0	0	0	0
Japan	0	10	5	1	2
USA	0	20	10	5	2
EU	0	30	10	10	3
Others	20	40	15	5	5

<sup>1</sup> Local end use would approximate to the difference between production and exports

<sup>2</sup> Declared volume (estimated where necessary) has been converted in order to estimate roundwood equivalent volume (as per <http://www.globaltimber.org.uk/RWEvolume.htm>) – for example by multiplying the former by 1.0 (logs) and 1.8 (sawn wood).

<sup>3</sup> Based on “Review of trade in Merbau (*Intsia* spp.) from major range States” by Chen H.K., Tong P.S., Hewitt J., and Affre A for TRAFFIC (March 2007) unpublished

<sup>4</sup> Based on “Review of trade in Merbau (*Intsia* spp.) from major range States” by Chen H.K., Tong P.S., Hewitt J., and Affre A for TRAFFIC (March 2007) unpublished; amounts for full year assumed *pro rata* on quantity cited up to the given date

<sup>5</sup> Author’s estimate based on log and sawn wood exports (assumed where necessary) plus mouldings, joinery and other products

<sup>6</sup> Based on importing country declarations and, if these are not readily available, exporting country declarations, including wooden furniture but excluding rubberwood and by-products, except for Malaysia, for which Malaysia Timber Industry Board statistics were used (<http://www.mtib.com.my>).

<sup>7</sup> Footnote ix of Table 11 <http://www.wwf.or.jp/activity/forest/lb/failingforests.pdf> - Excludes c.20 million m3 of logs destined for pulp mills

<sup>8</sup> “Fact Sheets – Forestry and Environment” by Malaysian Timber Council

<sup>9</sup> Sabah Forestry Department - Forest Industries & Statistics - Annual Report 2005

<sup>10</sup> STA Review April 2007

<sup>11</sup> Assumed – necessarily greater than RWE volume exported

<sup>12</sup> Author’s estimate – based on Table 1 above, official statistics of China’s imports of merbau logs, and for the EU, India and Japan “Review of trade in Merbau (*Intsia* spp.) from major range States” by Chen H.K., Tong P.S., Hewitt J., and Affre A for TRAFFIC (March 2007) unpublished. Note sum of data in Table 2 exceeds that in Table 1 due to exports by third countries (primarily China)

Table 3 Unit prices<sup>13</sup>

	Units	January 2005 (range)	December 2006 (range)	Annual change
PNG – logs	USD/m3	104	107	2%
Malaysia – logs	USD/m3	215-225	390-411	35%
Malaysia - sawn wood	USD/m3	425-435	557-574	15%
China (Guangzhou) - logs	RMB/m3	2300-2800	4600-4800	35%
Netherlands - sawn wood A	EUR/m3	1300	1765	15%
Netherlands - sawn wood B	EUR/m3	1420	1755	10%

Box 1 Commonly marketed southeast Asian species:

Windows: meranti, merbau

Malaysian solid doors: meranti, nyatoh, merbau, kembang semangkok, balau

Indonesian solid doors: meranti, nyatoh, merbau, teak, bangkirai

Flooring (solid or as the surface layer only): kempas, merbau, teak, bangkirai

Sawn wood: meranti, bangkirai/balau, nyatoh, keruing, kempas, kapur, merbau

Table 4 Suppliers of merbau: Peninsular Malaysia and Singapore<sup>14</sup>

	*	Doors	Flooring	Mouldings	General	Sales
<a href="#">Lionex</a>	T	Y	Y	Y	-	NL
<a href="#">Maran Road Sawmills</a>	M	-	-	-	Y 5%	NL
<a href="#">NWP</a>	M	-	-	-	Y 5%	EU
<a href="#">Golden Pharos</a>	M	(Y)	-	-	-	NL
<a href="#">Minho / Lionvest / Victory</a>	M	-	Y 5%	Y 5%	-	EU
<a href="#">Finewood Forest Products (Berjaya)</a>	M	-	Y 10%	Y 10%	-	EU
<a href="#">Low Fatt Wood Industries</a>	M	-	-	Y 5%	-	EU
<a href="#">Penco</a>	M	-	-	Y 10%	Y	EU
<a href="#">MWF Industry</a>	M	-	Y 5%	-	-	EU
<a href="#">Chuan Soon Huat</a>	M	Y	-	-	-	EU
<a href="#">SPB CONS Marine &amp; Imports Exports</a>	M	-	-	-	Y	-
<a href="#">Xin Long Wood (Uniraya)</a>	M	-	Y	-	-	-
<a href="#">Tong Sim Wood Industries</a>	M	-	Y 5%	-	-	-
<a href="#">Harvest Court Industries</a>	M	-	-	-	Y	-
<a href="#">Eastern Marketing</a>	T	-	-	Y	-	-
<a href="#">Flooringbox</a>	T	-	-	-	Y	EU
<a href="#">Force Timber Industries</a>	M	-	Y 10%	-	-	EU
<a href="#">Asia Decowood / Impulse Pristine</a>	-	-	-	-	-	-
<a href="#">Malaysian Parquet Floor</a>	M	-	Y 5%	-	-	-

\* M = Manufacturer T = Trader

Note 1 The percentages provide a very rough estimate of the proportion of merbau in the company's sales of the given product

Note 2: "Y" indicates merbau sales; "-" does not necessarily imply zero sales of merbau for the given product or to either the EU in general or the Netherlands "NL" in particular)

Note 3: products under the headings "Mouldings" and "General" might be made into "Doors"

<sup>13</sup> "Tropical Timber Market Report" by ITTO. Price difference between PNG and Malaysia is remarkable, as is the (negligible) change in PNG prices relative to the other increases shown.

Euro 1 = USD 1.31 Jan 2005 & USD 1.32 Dec 2006; USD 1 = RMB 8.28 Jan 2005 & RMB 7.81 Dec 2006

<sup>14</sup> Table 6 indicates that Indonesia accounts for the great majority of the Netherlands' imports of merbau. The merbau supplied by some of the enterprises listed in Table 4 might be less illegal than that supplied by most of the enterprises listed in Table 5.

Table 5 Suppliers of merbau: Indonesia

	*	Doors	Flooring	Mouldings	General	Sales
<a href="#">Cemerlang Selaras</a>	M	Y 90%	-	-	-	NL
<a href="#">Sarana Kreasi</a>	M	Y 90%	-	-	-	NL
<a href="#">Prabu Jaya</a>	M	Y 10%	Y 5%	Y	-	NL
<a href="#">Sunwood Timber Industries</a>	M	Y 30%	-	-	-	NL
<a href="#">Sumatera Timberindo</a>	M	Y 10%	-	-	-	NL
<a href="#">Suryamas Lestari Prima</a>	M	Y 20%	-	Y 10%	-	NL
<a href="#">Sulard Timber</a>	M	Y 5%	-	-	-	NL?
<a href="#">Mega Utama Indah</a>	M	-	-	-	Y	NL
<a href="#">Profilindah Kharisma</a>	M	Y 40%	-	-	-	EU
<a href="#">Kayu Permata</a>	M	Y	-	-	-	EU
<a href="#">Corinthian (Jeld Wen)</a>	M	Y	-	-	-	EU
<a href="#">Indojati</a>	M	-	Y 90%	-	-	EU
<a href="#">Karya Cipta Unggul Nusantara</a>	M	-	Y 10%	-	-	EU
<a href="#">Sengfong Moulding Perkasa</a>	M	Y	Y 20%	Y	-	EU
<a href="#">Prasetya Tatamulia</a>	T	-	Y 60%	-	Y 90%	EU
<a href="#">Tanjung Timberindo</a>	M	-	-	Y 5%	-	EU
<a href="#">Tanjung Selatan Makmur Jaya</a>	M	Y 5%	Y 20%	-	-	EU
<a href="#">Tanjung Kreasi ("TEKA")</a>	M	-	Y	-	-	EU
<a href="#">Cahaya Harapan</a>	M	-	Y 90%	-	-	EU
<a href="#">Tectona Ndari</a>	M	Y	-	-	Y	EU
<a href="#">Surya Jaya Trading</a>	T	Y 50%	Y 60%	Y 20%	-	-
<a href="#">Kayu Lapis</a>	M	-	-	-	Y	-
<a href="#">Wapoga Mutiara</a>	M	-	-	Y	Y	-
<a href="#">Manunggal Sukojava</a>	M	Y 90%	Y 90%	-	-	-
<a href="#">Komodoor</a>	M	Y 10%	Y 30%	-	-	-
<a href="#">Sari Jati</a>	M	Y 20%	Y 50%	Y 10%	-	-
<a href="#">Doorindo</a>	M	Y 20%	-	-	-	-
<a href="#">Great Doors and Gates</a>	M	Y 70%	Y 20%	-	-	-
<a href="#">Tanjung Permai Lestari</a>	M	-	Y 40%	-	-	-
<a href="#">Kayu Mas</a>	M	-	Y 5%			
<a href="#">Albeta Wijaya</a>	M	-	-	-	Y	-
<a href="#">Tulus Tri Tunggal</a>	M	(Y)	-	-	-	-
<a href="#">Triowira Kalimantan</a>	M	(Y)	-	-	-	-
<a href="#">Rajawali Makmur Sejahtera</a>	M	-	Y 90%	-	-	-
<a href="#">Graha Dharma Sakti</a>	T	-	-	-	Y 90%	-
<a href="#">Asco Mega Perkasa</a>	M	Y	Y			-
<a href="#">Mitra Mandiri Persada</a>	M	-	Y	-	Y	-
<a href="#">Citraprima Indokencana</a>	M	Y	Y	Y	-	-
<a href="#">Sari Bumi Kusuma</a>	M	-	-	(Y)	-	-
<a href="#">CV Lido</a>	T	-	-	-	Y	-
<a href="#">Tohitindo Multicraft Industries</a>	M	-	Y 90%	-	-	NL
<a href="#">Jati Makmur</a>	M	-	Y 30%	-	-	NL
<a href="#">Hargas Industries</a>	M	-	-	Y 20%	-	EU
<a href="#">Kurnya Jati Utama (Gracewood)</a>	M	-	Y 10%	-	-	EU
<a href="#">Asmon Karya Utama</a>	M	-	Y 40%	-	-	EU
<a href="#">Karya Mina Putra</a>	M	-	-	-	Y 30%	EU
<a href="#">Wana Andalan Bersama</a>	M	-	Y 90%-	-	-	EU
<a href="#">Menara Mas</a>	T	-	-	-	Y 90%	EU
<a href="#">Indonesia Sakti</a>	M	-	Y 30%	-	-	-
<a href="#">Intisurya Citratama</a>	M	-	Y 20%	-	-	-

\* For legend and notes, see those for Table 4 above

Box 2 Estimates of Illegal Timber content of merbau exports in 2006

Malaysia: 5% - Peninsular Malaysia (the region where merbau grows in Malaysia) generally legal but might include some illegal merbau from Indonesia or PNG to sustain exports.

Indonesia: 90% - Very much less logging is said to have taken place in Papua (the province from whose forest almost all Indonesia's merbau exports are likely to derive) during 2006 than in 2005 – as a consequence of law enforcement efforts (i.e. political will). However, during 2006, some of the 400,000m<sup>3</sup> of timber seized by the authorities (much of which will have been merbau) might have been smuggled out of Papua – particularly to Surabaya for subsequent export.<sup>15</sup> All Indonesia's exports of logs and rough sawn wood<sup>16</sup> are banned, making much of the 100,000m<sup>3</sup> RWE volume of sawn merbau (and an assumed 30,000m<sup>3</sup> of log exports) illegal. Concerning merbau products other than logs and rough sawn wood, most is likely to be illegal.<sup>17</sup> Consequently, less than 10% of the 180,000m<sup>3</sup> RWE total estimated in Table 1 is likely to have been legal.

Papua New Guinea: 90% - [Forest Trends](#) has found that all the concessions which accounted for 65% of PNG's log exports were illegal. It does not follow from this that all or any of the remaining 35% of log exports (or indeed PNG's sawn wood exports) were illegal. Log and sawn wood exports to China are more likely to be illegal than those to, say, Australia (– which accounted for [just under 50%](#) of PNG's sawn wood exports during the first eight months of 2004).

<sup>15</sup> <http://www.eia-international.org/files/reports135-1.pdf> paragraph 2 on page 10 and page 12

<sup>16</sup> It appears that all sawn wood exports from Indonesia were banned between October 2004 and February 2006 and that rough sawn timber has continued to be banned since then. ITTO Tropical Timber Market Report 16-28 February 2006 p5

<sup>17</sup> [Marcus Colchester](#) suggests that roughly 90% of permanent production forest (allocated prior to ?2001) is being logged illegally on the basis of gazettment but mentions that Papua might be anomalous (due to its semi-autonomous status. See the paragraph which starts on page 18 and ends on page 19; the first paragraph of Section 4.2.3, the last complete paragraph on page 14 and footnote 31. Most other estimates (typically in excess of 70%) are unlikely to have been relevant to 2006, and to Papua and merbau in particular. Assessments based on a supply~demand balance (Local End Use = Production + Imports – Exports) are discredited (partly due to data quality issues and partly because they ignore most facets of illegality).

Table 6 The Netherlands' direct imports of merbau (2006, estimates)

Note	Product	Indonesia	Malaysia	Indonesia	Malaysia	Total
		All imports		Of which assumed merbau content		Merbau
		RWE volume (million m3)				Wood volume ('000m3)
A	Sawn red meranti	0.01	0.35	0%	0%	0
B	Sawn merbau etc	0.02	0.03	10%	5%	2
C	Other sawn wood	0.00	0.01	0%	0%	0
D	Plywood	0.04	0.02	0%	0%	0
E	Doors	0.05	0.00	15%	10%	3
F	Parquet	0.01	0.00	15%	5%	1
G	Other joinery	0.07	0.01	5%	3%	1
H	Other mouldings	0.18	0.04	3%	3%	3
I	Furniture	0.10	0.02	3%	0%	1
J	Not specified	0.09	0.00	3%	3%	1
K	Other	0.01	0.01	0%	0%	0
	Sum	0.58	0.49	-	-	11

Note: The commodities listed under the heading Product relate to UN HS codes<sup>18</sup> – A=440725 B=440729 C=Other 4407 D=4412 E=441820 F=441830+44092091 G=Other 4418 H=Other 4409 I=940161+940169+940330+940340+940350+940360 J=44212098 K=Other 44 excluding 4401 and 4402

The Netherlands' timber imports from Papua New Guinea during 2006 were negligible and the RWE volume of the Netherlands' imports of merbau via China was probably less than 1,000m3.

The Netherlands' probably imports some semi-finished merbau products from Belgium and some merbau parquet of major European brands. The Netherlands probably exports some merbau products. The Netherlands probably manufactures some merbau doors and other products from sawn wood or mouldings.

By considering the estimates in Table 6 and making allowance for imports, exports and manufacturing in the Netherlands (as per Note 3) one might estimate that 9,000m3 of merbau entered end-use in the Netherlands during 2006 and that doors accounted for half of that end-usage. The difference between the estimates of merbau end-usage for 2005 provided in Table 1 of the [TRAFFIC report](#) for the total (7,500m3) and doors (3,000m3) and these estimates for 2006 are not significant – and attributable to the inherent inaccuracy of the respective analyses.

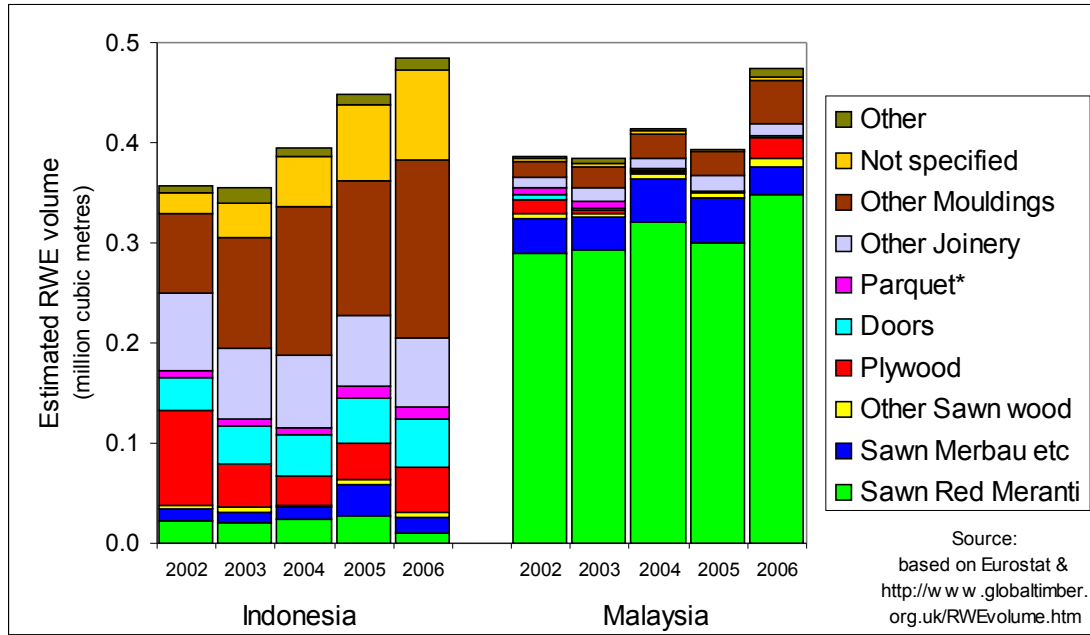
Indeed, given the trend (shown on Chart 1) in the Netherlands' imports of timber from Indonesia and Malaysia, the quantity of merbau entering end-use in the Netherlands probably changed little between 2005 and 2006.

Indonesia is probably the origin of more than 80% of the merbau which enters end-use in the Netherlands.

The [TRAFFIC report](#) indicates that the Netherlands is much the largest end-user of merbau doors within the EU, and that (largely as a consequence) more merbau enters end-use in the Netherlands than in any other EU member state.

<sup>18</sup> To read full descriptions of each commodity code, click on "CN 2007 (DE, EN, FR - provisional)" at <http://fd.comext.eurostat.cec.eu.int/xtweb/setuplistmeta.do>

Chart 1 The Netherlands' direct imports of timber from Indonesia and Malaysia<sup>19</sup>



1.2 cubic metres of merbau products is assumed here to weigh one tonne.

The import value of the Netherlands' direct timber imports from Indonesia and Malaysia during 2006 is estimated here to have been Euro 10million. In comparison, the import value of the Netherlands' worldwide imports of tropical timber during 2006 is estimated here to have been Euro 900million (of which Indonesia and Malaysia accounted roughly 30% and 20% respectively).

In terms of roundwood equivalent volume, Indonesia and Malaysia each accounted for roughly 20% of the 2.6million m<sup>3</sup> of tropical timber which the Netherlands imported during 2006. Merbau is estimated here to have accounted for 1% of that total.

<sup>19</sup> Product descriptions are as indicated in the Note to Table 6. Note that, on an RWE volume basis, minimum FLEGT products accounted for about 10% and 80% of the imports of wood-based products which the Netherlands imported during 2006 from Indonesia and Malaysia respectively.



Table 7 Leading suppliers (and makers) of merbau products in the Netherlands

	Size	Sector	Item	Remarks
<a href="#">Deli Universal</a>	L	S	D	<a href="#">Dehagro</a> (Horizon brand)
	L	S	D	<a href="#">Steffex</a> (CanDo brand)
	L	S	S, D	<a href="#">Jongeneel</a>
	L	I	S	<a href="#">Houthandel Heuvelman</a>
	S	S	F	<a href="#">Ambagtsheer &amp; Fenenga</a>
<a href="#">Doorwin</a>	L	M	D	<a href="#">Norhtgo</a> , <a href="#">Kegro</a> , <a href="#">Tinga</a> , and <a href="#">Devries</a> ; made in Netherlands
<a href="#">Timmer Select</a>	L	M	D	<a href="#">Weekamp</a> Indonesian factory - see <a href="#">Cemerlang Selaras</a> and <a href="#">Chuan Soon Huat</a> (and Premium Woodproducts BV)
<a href="#">Skantrae</a>	L	S	D	-
<a href="#">Austria</a>	M	I	D	-
<a href="#">Java</a>	M	S	D	One model of <a href="#">same design</a> as <a href="#">Profilindah Kharisma</a>
<a href="#">Albo</a>	M	S	D	-
<a href="#">Doors4All</a>	M	I	D	<a href="#">Sarana Kreasi</a> of Indonesia
<a href="#">DPW Van Stolk</a>	L	I	G	<a href="#">Lionex</a> of Malaysia
<a href="#">Fetim Group</a>	M	I	V	Sources include Indonesia
<a href="#">Habraken Hout</a>	M	I	V	-
<a href="#">Houtplex</a>	M	I	S	-
<a href="#">Marius van den Berg</a>	M	I	V	<a href="#">Martimber</a>
<a href="#">Houthandel Van de Stad</a>	M	I	S	-
<a href="#">Dekora Parket</a>	M	M	F	Exports
<a href="#">Alblas Hout</a>	M	S	S	Stocks Weekamp merbau doors
<a href="#">Pontmeyer</a>	L	W	V	Stocks doors by others
<a href="#">Gamma</a>	M	W	D	Similar <a href="#">models</a> to <a href="#">CanDo</a>
<a href="#">Propex</a>	S	I	V	Keen on FSC & MTCC
<a href="#">Haarlemse Houthandel</a>	S	I	D, V	-
<a href="#">Wijma Kampen</a>	S	I	S	-
<a href="#">Homburg Hout</a>	S	I	V	Has stopped selling merbau?
<a href="#">JC van de Voort</a>	S	I	V	-
<a href="#">Lecluijze</a>	S	M	D	CE brand doors & stairs
<a href="#">Reinaerdt</a>	S	M	D	-
<a href="#">Doetinchem Parket</a>	S	M	F	-
<a href="#">Dekker Hout</a>	S	S	V	Elephant brand (?closed?)
<a href="#">Houthandel Boogaardt</a>	S	S	V	Stairs and windows
<a href="#">Danklof Houtindustrie</a>	S	S	V	-
<a href="#">Houthandel de Maas</a>	S	W	D	Stocks doors made by <a href="#">others</a>
<a href="#">Houtwerf</a>	S	W	F,D	Stocks doors by others
<a href="#">FB Hout</a>	S	W	F	Exports; plantation(?) merbau
<a href="#">Rowi Vloeren</a>	S	W	F	-
<a href="#">T &amp; G Wood</a>	S	W	F	Sopartec; <a href="#">Ariket</a> from Thailand
<a href="#">HoutCenter Kroon- Vries</a>	S	W	V	-
<a href="#">Verdouw</a>	S	W	V	-

Size (i.e. quantity of merbau wood sold – no allowance made for double counting):

L=Large (>500m<sup>3</sup>RWE) M=Medium S=Small (<100m<sup>3</sup> RWE)

Sector (i.e. primary focus of business):

I=Importer M=Manufacturer S=Supplier W=Wholesale/Retail

Item(s) supplied:

D=Doors F=Flooring S = Sawn wood V=Various