

During the fourth quarter of 2015, the Ghanaian timber and wood products exports recorded a total volume of 99,681.269m³ yielding total proceeds of €52,600,442.37.

Export performance comparison with fourth quarter 2014 shows a decline of 6.13% in volume and an increase of 32.35% in value as shown in the table below.

CUMMULATIVE PERFORMANCE - 4th QUARTER 2015			
	OCT - DEC 2014	OCT - DEC 2015	% Change
Volume (m ³)	106,189.990	99,681.269	-6.13%
Value (€)	39,744,776.37	52,600,442.37	32.35%

The immediate possible reason for the above phenomenon, may include some exporters shifting from producing high volume species like Gmelina (3rd Quarter was 7,673.367m³ and 4th Quarter was 3,994.879m³; representing a decline of 47.94%) to high value species like Rosewood (3rd Quarter was 3,124.628m³ and 4th Quarter was 19,645.548m³; representing an increase of 528.73%) when the ban was lifted in the middle of the year. Also, most buyers increased trading in high value species to significant markets. For instance, in 2015, Superior Timber and Decking Limited FZE, bought 4,578.283m³ of Mahogany (Ivorenis: €604.00 per m³), made into Lumber (KD) to United States of America. It bought 1,139.624m³ of Niangon (€504.00 per m³), made into Boules (AD) to France.

Similarly, the above buyer improved timber trading in Lesser Known species like Denya (€405.00 per m³), shipping 3,098.100m³ of Denya (Lumber AD) to Vietnam in 2015.

The timber trade was influenced by government policies on Rosewood especially the last two quarters of 2015. The lifting of the ban on Rosewood favourably affected trade as Rosewood gained 23% of the traded volumes for the year, accounting for 28% of the accrued value in species contribution.

Then, the exchange rate contributed significantly to the increases, accounting for the high values in the face of dipping volumes. The US Dollar increased 45% and the British Pound increased 6% averagely, compared to the 2014/2015 base currency (Euro) for this report.

These may be some of the reasons explaining the above phenomena: declining volumes but increasing values in the timber export trade in the fourth quarter of 2015.

When premium charges on some species and product dimensions (collected at source; a new revenue collection strategy to eradicate revenue leakages) were strengthened, average percentage change for volumes and values were positive indicating some level of growth in the timber export trade.

Traded volumes throughout the year were declining but the gains made in the first quarter was enough to absorb the negative impact this could have had on the timber export trade in 2015.

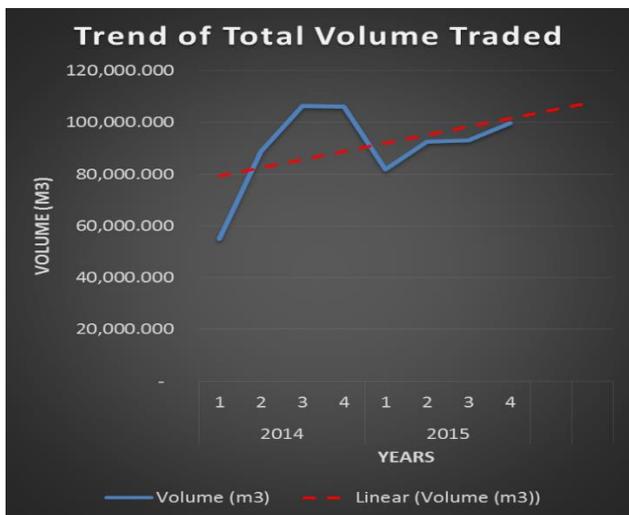
However, values were increasing at an average rate of 41.53%, (even though the quarterly recorded value increments were

fluctuating) a positive indication that projection or forecast figures will be favourable as shown in the volume and value tables shown below:

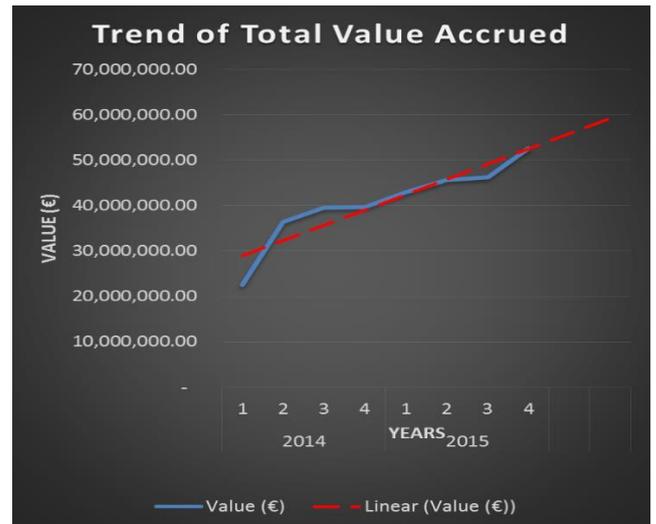
VOLUME (m ³)			
Quarter	2014	2015	% Change
1	54,910.935	81,860.703	49.08%
2	88,630.554	92,548.547	4.42%
3	106,304.521	92,970.204	-12.54%
4	106,189.990	99,681.269	-6.13%
Average	89,009.000	91,765.181	8.71%

Value (€)			
Quarter	2014	2015	% Change
1	22,493,875.90	43,034,118.55	91.31%
2	36,479,570.83	45,709,539.33	25.30%
3	39,497,394.78	46,280,542.77	17.17%
4	39,744,776.37	52,600,442.37	32.35%
Average	34,553,904.47	46,906,160.75	41.53%

Furthermore, trend analysis on quarterly figures depict increasing pattern with an increasing linear prediction (forecast figures) as shown in the graphs beneath (Trend of Total Volume Traded and Trend of Value Accrued).



The dip during the first quarter 2015 may be due to most exporters shifting to the production of other species like Teak and Papao because of the ban on Rosewood, then the steady increases in the 3rd and 4th quarters are possibly due to the inclusion of Rosewood besides Teak and Wawa to the Asian market.

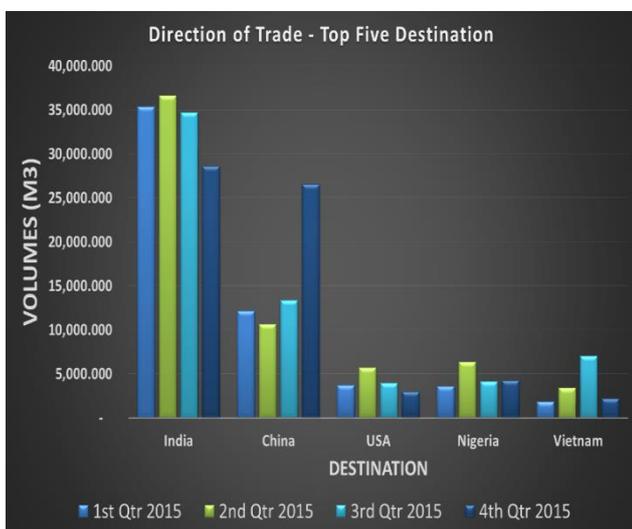


Trends on total value accrued has been increasing as a result of most exporters and buyers trading in the emerging high value species like Papao (LUS) in products like Board (€670.00 per m³) and Strips (€645.00 per m³) coupled with the favourable exchange rates to the Euro compared with the other major trading currencies like US Dollar.

Consequently, the upward trends in both volume and value could be explained by the *degree of responsiveness* for some major or popularly traded species with the premiums paid on them.

The percentage change in quantity demanded (for species like Teak, Wawa, Papao, Ceiba, Mahogany made into products like Lumber (AD) or Sliced Veneer) divided

by the percentage change in price per cubic meter is mostly less than one (Inelastic Demand) that signify that prices of timber export products change faster than product volumes demanded; in timber trading terms, more value is earned for the same volume exported. This is coupled with the premium paid (3% to 15% on FOB value) depending on some species and product dimensions driven by the Asian and Far East Markets as shown in the graph below.



India from the direction of trade graph was the favourite timber trade destination for 2015 (135,178.697m³ yielding €52,878,035.70). India's imports included Teak, mainly in the form of Lumber AD and Billets at an average price of €447.05 and €389.84 respectively. Gmelina was also exported to India as Poles at an average price of €178.74.

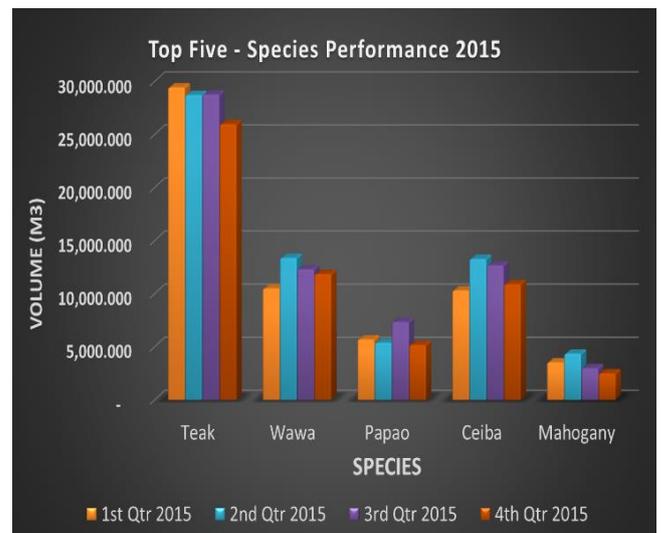
China, imported mainly Rosewood (21,650.487m³ - Lumber AD), Wawa (16,326.372m³ - Lumber KD) and Papao (12,222.604m³ - Lumber AD).

The Chinese timber market traded in some LUS, thus bought Denya (3,243.723m³ -

Lumber AD), Senya (3,226.087m³ - Lumber AD) and Protrodum (2,037.290m³ - Lumber AD).

Surprisingly, Teak did not do so well in the Chinese market as 2,522.268m³ in Lumber AD was bought.

From 2015 Species Performance graph, Teak has been the consistent and heavily exported species as shown in below:

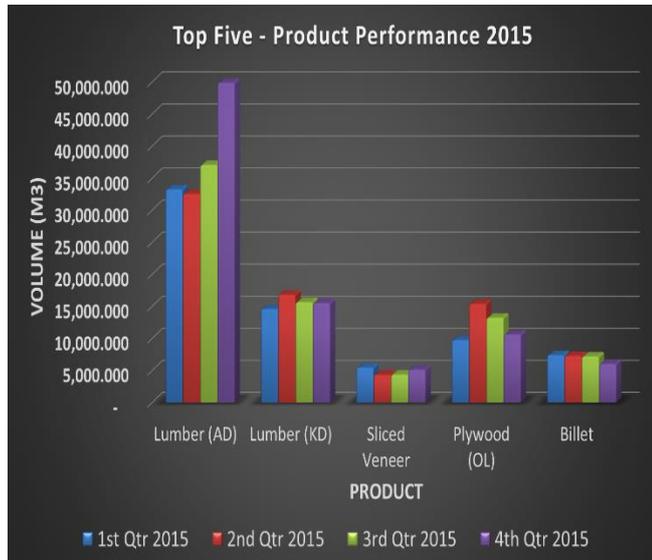


Teak peaked in the first quarter (possibly, as better species substitute to Rosewood) and then began to steadily decline (especially in the last quarter probably due to the restoration of Rosewood). It grossed an annual amount of €48,846,575.99 from a total exported volume of 112,894.009m³ (at an average price of €432.68) in products like Lumber AD (major), Billets, Poles and Boules AD.

Wawa was exported mainly to China, Germany and South Africa with the main products being Lumber KD and Processed Lumber / Mouldings. In 2015, a total of 47,998.542m³ was exported yielding

€21,673,998.88 at an average price of €451.56.

Lumber (AD) has been the dominant product (mainly Teak to India) throughout the year 2015 with the fourth quarter volume exports closely to 50,000m³.



In 2015, Lumber AD exported was 152,629.924m³ accounting for €86,071,280.34 and the table below shows the major Lumber AD market mix.

Lumber AD - Market Mix			
Product	Species	Destination	Volume (m ³)
Lumber AD	Teak	India	80,229.971
	Rosewood	China	21,650.487
	Papao	China	12,222.604
	Denya	Vietnam	3,098.100
	Potrodum	China	2,037.290
	Senya	China	3,226.087
	Black Ofram	Senegal	1,905.740
	Walnut	Senegal	1,357.530

Lumber KD exported was 62,471.151m³ accounting for €36,712,711.78 and the table below shows the major Lumber KD market mix for 2015 as shown below.

Lumber KD - Market Mix			
Product	Species	Destination	Volume (m ³)
Lumber KD	Wawa	China	16,326.372
	Wawa	Germany	9,933.606
	Wawa	South Africa	3,785.089
	Mahogany	USA	6,571.637
	Cedrela	USA	1,524.711
	Koto	Germany	1,316.687

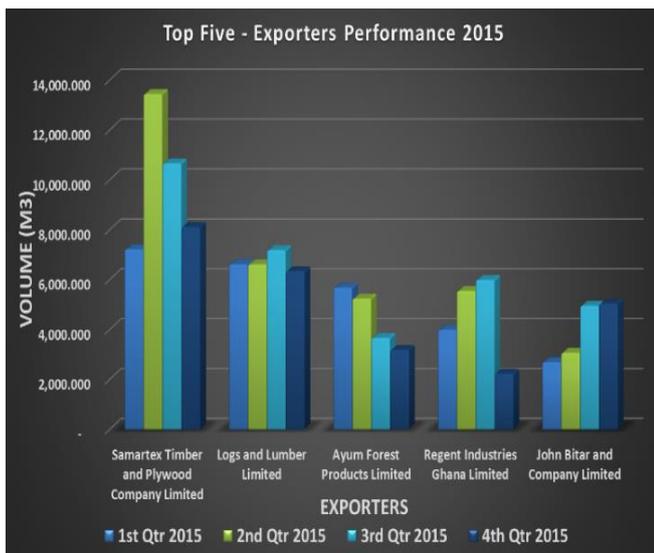
The structure of the timber industry classified by products made in Ghana for 2015 is depicted in the table below:

CLASSIFICATION OF PRODUCT (INDUSTRY STRUCTURE - 2015)	
PRODUCT	NO. OF FIRMS (2015)
Primary	
Poles	16
Billet	46
Secondary	
Lumber (Air Dried)	146
Lumber (Kiln Dried)	48
Lumber (Overland)	8
Plywood	2
Plywood (Overland)	21
Boules	4
Veneer	22
Kindling	1
Briquettes	1
Tertiary	
Processed L/ Mouldings	14
Flooring	4
Dowels	4
Furniture Parts	1

Samartex Timber and Plywood Limited (SAX), which was the overall timber export product performer for 2015 and produced Lumber (AD & KD), Veneer (Sliced, Curled & Rotary), Boules (KD), Processed Lumber and plywood from major species like Mahogany, Wawa, Denya,

Ceiba, Mixed Redwood and Makore; trading in all the major timber markets in the world. SAX produced approximately 11% of total volume accruing 14% of total value for 2015 timber export figures (top five).

Logs and Lumber Limited (LLL) was the second highest timber export product performer in 2015. Some main products included Lumber KD, Processed Lumber and Sliced Veneer from Wawa, Sapele, Mahogany, Koto, Chenchen, Asanfina, Dahoma, Black Ofram and Odum. LLL produced approximately 7.3% of total volume accruing 9.6% of total value for top five timber exporters as shown below.



The top five buyers for 2015 with their purchasing matrices (species, products and destinations) are shown as follows:

PURCHASING MATRIX			
Buyer	Species	Product	Destination
Alkernal Singapore PTE Limited	Teak	Lumber (Air Dried)	India
		Billet	India
PTE Limited	Papao/ Apa	Lumber (Air Dried)	China
	Gmelina	Poles	India

PURCHASING MATRIX			
Buyer	Species	Product	Destination
Superior Timber and Deckings Limited FZE	Mahogany	Lumber (Kiln Dried)	USA
			Dominican Republic
	Denya	Lumber (Air Dried)	Vietnam
	Niangon	Boules (Air Dried)	France
	Essa	Rotary Veneer	USA
	Mixed	Redwood	Lumber (Air Dried)
Lumber (Kiln Dried)			USA
Lumber (Kiln Dried)			Pakistan
Ogea	Rotary Veneer	USA	

PURCHASING MATRIX			
Buyer	Species	Product	Destination
Shiri	Teak	Lumber (Air Dried)	India
Madhav		Billet	India
Global PTE	Gmelina	Billet	China

PURCHASING MATRIX			
Buyer	Species	Product	Destination
Dong Li	Rosewood	Lumber (Air Dried)	China
Trading Company	Papao/ Apa	Lumber (Air Dried)	China
		Teak	Lumber (Air Dried)

PURCHASING MATRIX			
Buyer	Species	Product	Destination
Asia International PTE Limited	Teak	Billet	India
		Lumber (Air Dried)	India
al PTE Limited	Gmelina	Poles	India
	Papao/ Apa	Lumber (Air Dried)	China

