Market for robinia wood in 2004

Interviewees

A total of 14 companies were interviewed on the subject of the market for robinia wood. Ten of the companies interviewed sell robinia or robinia wood products on a regular basis (daily/weekly). The remaining 4 companies sell robinia on request (a number of times a year). The majority of the interviewees indicated that they sell both furniture grade and hydraulic engineering grade sawn robinia wood. One of the interviewees also sells pilewood.

Sources of robinia wood

This timber originates from a number of countries. Table 1 gives an overview of the origin of the sold robinia wood.

Table 1 – Sources of robinia wood

Country of origin	direct import	via Dutch importers	via German importers
Germany	/	/	1 company
France	2 companies [1]	/	/
Hungary	4 companies [1]	5 companies	2 companies
Romania	2 companies [1]	/	/
Serbia / Montenegro / Bulgaria	1 company	/	/
Slovenia	1 company [2]		

[1] of which 1 company occasionally

[2] occasionally

Prices of sawn robinia wood

Six of the interviewed companies were able to give exact prices for sawn robinia. The other companies were only able to give an indication of the prices over the years. The quoted (retail) sales prices do not differ greatly (see table 2). Altogether, the average price for sawn robinia wood (50% hydraulic engineering grade and 50% furniture grade) in 2004 was € 610.-/m^3.

Table 2 – Prices of sawn robinia wood in 2004

	Polewood (€/ m^3)	Hydraulic engineering grade (€/m^3)	Furniture grade (€/ m^3)
Retail price (average)	230.-	455.-	765
Quoted prices	160.- / 300.-	360.- / 400.- / 600.-	600.- / 750.- / 800.- / 900.-
FSC supplement	+ 10-20%	+ 55-60%	+ 10-20%

Market development

In order to be able to compare the timber prices against previous years we formulated the following table. For the price of sawn timber we use a ratio of 50% GWW (hydraulic engineering grade) wood and 50% furniture-grade wood. Only one measurement was taken for laminated and finger-jointed robinia wood.

Table 3 – History of robinia wood prices over a 12-year period

	1992	1997	1998	1999	2001	2002	2004
Price of sawn wood (€/m^3)[1]	520.-	635.-	680.-	500.-	635.-	700.-	610.-
Price of finger-jointed and laminated wood (€/m^3)[2]	815.-	/	1,180.-	1,610.-	1,610.-	1,770.-	1,860.-

[1] Indicative timber prices for furniture and hydraulic engineering grade taken together. The amounts have not been corrected/indexed

[2] The amounts have not been corrected/indexed

The prices for sawn timber appear to have dropped slightly over the years 2002-2004, after an increase in the years 1999-2002. It is not known what the cause of this drop is. However, a large number of companies are expecting considerable price increases in the near future. The anticipated price increases mainly concern the robinia wood being imported from Hungary. Because of Hungary's recent entry into the European Union the wages and transport costs in this country, and therefore the price of robinia wood, have risen considerably.
The prices for laminated and finger-jointed robinia wood are still rising.

Opinions differ when it comes to the area of supply and demand. Companies that sell robinia on a regular basis indicate that the demand for hydraulic engineering grade robinia is still increasing, whereas companies that only sell robinia on request indicate that the demand has remained the same. On a net basis the demand for furniture grade robinia appears to have remained at the same level. Some companies are experiencing an increased demand, whereas others are seeing a reduction in the demand. The demand for (furniture grade) robinia for outdoor furniture, playground equipment and building cladding is still increasing.
For a number of companies the supply of robinia is still a problem. According to these companies the low supply levels are the result of the slow and cumbersome character of the Eastern European timber trade. However, there are also companies that are not experiencing problems with availability. Often they do not purchase their timber directly from Eastern Europe, or they only need small quantities.
The interviewees do not consider the quality of the purchased timber to be any better or worse than in previous years.

The demand for FSC-certified timber comes mainly from governments and organisations that have committed themselves to buying FSC only. The various companies themselves do not consider FSC to be useful or desirable. The supply of FSC timber is generally sufficient, but – certainly for hydraulic engineering grade robinia – the prices are not market prices and as such this is not an interesting timber to purchase. It is only (government) authorities that do not seem to consider the high price a major problem. Compared to 2002 the added cost for FSC-certified furniture grade timber is not a lot: +10-20% in 2004 compared to +50-60% in 2002.