

Forestry in Guyana
Quarterly Market Report
1999/4



Planning and Development Division
Guyana Forestry Commission

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1. INTRODUCTION

This is the fourth in a series of issues for 1999 produced quarterly by the Planning and Development Division. The fundamental objective of these publications is to provide an overview of current trends and issues in production and trade, relevant to the Forestry Sector in Guyana.

Data are obtained from producers, GFC forest officers, exporters and merchants, and compiled at the Guyana Forestry Commission (GFC) Headquarters.

This market report (1999/4) begins with a summary of sector performance. Thereafter, an examination of the levels of timber processing in Guyana, intended to guide the reader of this report, is presented. Then a brief examination of land allocation and concession allocation in state forest is given. Further, a brief four year (1996 –1999) comparative account of the contribution of the forestry sector to Gross Domestic Product is given. Included also is a summary of new investments in the sector in 1999.

The report continues with an examination of the trends in production, exports and prices (domestic and export) It concludes with a summary of the main events that have characterised the forestry sector in Guyana in the period under review.

2. SUMMARY

Relative to 1998, in the fourth quarter of 1999:

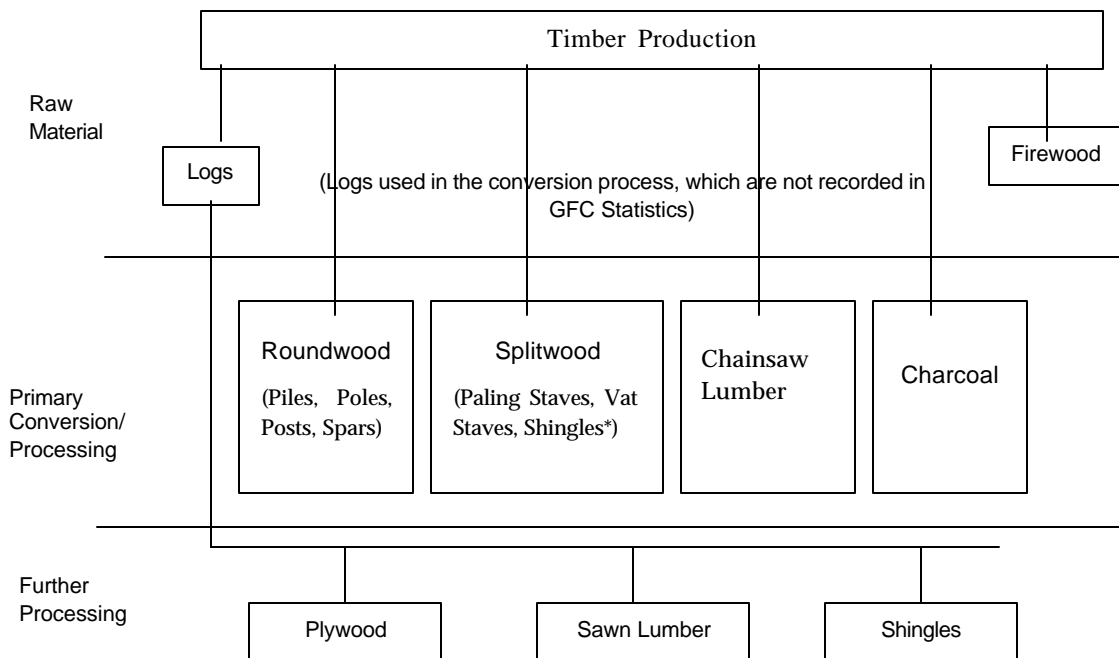
- Total primary production of timber was slightly improved. This was matched by improvements in the categories: logs, roundwood, chainsawn lumber, firewood and splitwood. Chainsawn lumber was the principal contributor to this achievement.
- Growth was achieved in the production of the non-timber forest product categories: wattles and mangrove bark. However, there was a decline in the production of manicole palm.
- Assessed Royalty on the production of forest products recorded a 6.7% improvement.
- Significant improvements in the volume of logs and sawnwood were recorded. Volume export of roundwood, splitwood and hearts of palm declined.
- There were no significant changes in domestic prices for most categories of products in the period October to December 1999.
- Export prices of logs declined and remained suppressed throughout the period October to December 1999. Significant increases in export prices were recorded for plywood. Prices for dressed and undressed lumber were also in the ascendant.

3 LEVELS OF TIMBER PROCESSING IN GUYANA.

In Guyana, timber from the forest usually passes through three main levels of processing. As indicated in Figure 1 below, logs and firewood are normally considered to be *raw materials* in the processing flow. The first stage of processing of raw materials is dubbed *primary conversion or primary processing*. This is the processing of raw materials into semi - finished or finished products made entirely from timber. This first level of processing usually is performed *in the forest* in Guyana. Subsequent to primary processing, four categories of products are produced, namely; roundwood, splitwood, chainsawn lumber and charcoal. As evident from figure 1, roundwood categorises piles, poles, posts and spars while splitwood refers to shingles, vat and paling staves. With *further processing* (the third level of timber processing which involves the transformation of primary products into semi-finished and finished products made almost entirely from timber) of the categories of products yielded after primary conversion, plywood, sawmill lumber and shingles are produced.

Further discussion throughout this report will be guided by these classifications.

FIGURE 1.0: DOMESTIC FLOWS OF TIMBER PRODUCTS FROM THE FOREST



Notes:

-The flow of non-timber forest products from the forest is not included above.

-Flows and definitions are based on statistical data available at the GFC.

-*Shingles are produced under primary conversion in the forest and some shingles are produced at the shingle mill which is then classified as further processing.

4. LAND ALLOCATION IN STATE FOREST.

The 75% of forest cover in Guyana is categorised as State Forest, State Lands, Amerindian Lands and Private Property. Of the total forested area, State forests account for 135,800 square kilometres or 13,678,616 hectares.

State forest is allocated as Production areas, Permanent Research areas and Protection and Biodiversity Reserves. Table 1 presents the allocation of State forest at the end of December of 1999. Definitions are presented in the annex to this report.

Table 1. Land Allocation in State Forest - 1999.

Classification	Number	Km²	% of State Forest	% of Total Land Allocated
<i>Production Areas</i>				
State Forest Permissions	352	13,247	10	21
Wood Cutting Leases	8	5,004	4	8
Timber Sales Agreements	20	37,314	27	60
Exploratory Permits	2 ¹	2,328	2	4
<i>Permanent Research Areas</i>				
Iwokrama Research Site	1	3,600	3	8
Moraballi Reserve	1	288	0.2	0.2
Other Research Sites	9	31	0.02	0.05
<i>Protection and Biodiversity Reserves</i>				
Kaitaur National Park	1	1,123	1	2

SOURCE: Guyana Forestry Commission.

5. CONCESSION ALLOCATION.

Approximately 41% of state forest was allocated to timber harvesting concessions in 1999. Concessions are categorised as State Forest Permissions (SFPs), Woodcutting Leases (WCLs) and Timber Sales Agreements (TSAs). Each is based on duration and area size.

Table 2. Forest Users Licensed by the GFC, 1996 - 1999.

YEAR	TSAs	WCLs	SFPs
1996	17	9	496
1997	17	9	369
1998	19	7	331
1999	20	8	352

SOURCE: Guyana Forestry Commission.

The increase in TSA holders in 1999, is as a result of Wood Associated Industries Company Limited gaining a TSA in New Amsterdam, Berbice.

¹ Officially there is one Exploratory Permit. The other permit is yet to be granted.

¹ Officially there is one Exploratory Permit. The other permit is yet to be granted.

6. CONTRIBUTION OF THE FORESTRY SECTOR TO GROSS DOMESTIC PRODUCT (GDP).

Table 3 Contribution of the Forestry Sector to GDP, 1996-1999. (G\$)

YEAR	GDP at Factor Cost*	Forestry	Forestry as a % of GDP.
1996	5,048	229	4.54
1997	5,360	264	4.93
1998	5,270	200	3.80
1999	5,426	226	4.17

Source: Bank of Guyana Statistical Bulletins.

Note: * measures domestic output exclusive of indirect taxes on goods and services.

It should be noted that the figures presented in Table 3 exclude the third category of products yielded after further processing as indicated in figure 1.

The average contribution of the forestry sector over the period 1996 to 1999 was 4.36%. As evident from table 3 however, in 1998, the contribution of the forestry sector to GDP was lower than this average. Further, it was 1.13% lower than that for the previous year. This decline is attributable to a general depression in the local production of logs, chainsawn lumber, splitwood and fuelwood. This resulted in significantly reduced exportation of logs and sawnwood. Further, the effects of the depression of international markets in 1997 were experienced in the early part of 1998.

In the first quarter of 1999, the forestry industry performed poorly owing to poor weather conditions and a decline in building activities locally. Internationally, buyers were not taking large quantities of local lumber, as stockpiles, especially in the United Kingdom, were high. Parallel to this, export volume for logs and roundwood declined, while that for sawnwood and splitwood increased. By the second quarter of 1999, the production of timber products was adversely affected by a public servants' strike which further disrupted supply. Exports of logs increased in this period, but was matched by decreases in the other categories of timber produce. In the third quarter of 1999, there was a reduction in the export of the categories - logs, sawnwood and splitwood. These coupled with the changes realised in the fourth quarter of 1999 allowed a 0.37% growth in forestry's contribution to GDP.

6. INVESTMENT IN 1999.

In September, Barama Company Limited announced its intention to establish an integrated wood industry complex on the left West Bank of the Essequibo river. The announcement noted that the complex would comprise of a sawmill equipped with kiln dryers, marine spillway, wharfing facilities. Further, this will be complemented by a housing complex and 100km of a newly constructed road.

Table 4: Production of Forest Products

PRODUCTS	Unit	4 th Quarter (Oct. - Dec.)			98-99	Cumulative (Jan. - Dec.)			98-99
		1997	1998	1999	% change	1997	1998	1999	% change
TIMBER PRODUCTS:									
<i>Logs</i>									
Greenheart	m ³	16,463	18,271	17,819	(2.5)	74,564	78,617	78,608	(0.01)
Special Class	m ³	7,294	...	9,007	-	...	...	33,162	...
Class 1	m ³	24,483	...	23,114	-	...	...	104,436	...
Class 2	m ³	58,823	...	38,971	-	...	...	182,140	...
Class 3	m ³	5,967	...	10,004	-	...	...	37,020	...
Total Logs	m³	113,030	89,319	98,915	11	498,490	386,673	435,365	12.6
<i>Chainsawn Lumber (CL)</i>									
Greenheart	m ³	1,763	...	1,793	-	...	...	3,888	...
Special Class	m ³	841	...	370	-	...	...	1,066	...
Class 1	m ³	4,180	...	4,866	-	...	...	13,641	...
Class 2	m ³	1,039	...	1,428	-	...	...	3,814	...
Class 3	m ³	735	...	874	-	...	...	2,668	...
Total CL	m³	8,558	5,295	9,331	76.2	31,640	23,638	25,078	6.09
<i>Roundwood (RW)</i>									
Greenheart Piles	m ³	956	1,857	2,176	17.2	6,223	11,357	8,292	(27)
Kakaralli Piles	m ³	525	120	75	(37.5)	843	759	320	(57.8)
Mora Piles	...	...	...	0	-	...	0	55	100
Wallaba Poles	m ³	1,233	487	852	74.9	4,695	3,856	2,008	(47.9)
Posts	m ³	1,049	786	923	17.4	5,402	3,437	2,878	(16.3)
Spars	m ³	7	11	11	0	57	44	36	(18.2)
Total RW	m³	3,770	3,261	4,037	23.8	17,220	19,453	13,589	(30.1)
<i>Splitwood (SW)</i>									
Paling Staves	m ³	438	276	455	64.9	2,128	1,473	1,085	(26.3)
Vat Staves	m ³	0	6	0	(100)	0	10	4	(60)
Shingles	m ³	0	19	45	136.8	28	123	94	(23.6)
Total SW	m³	438	301	500	66.1	2,156	1,606	1,183	(26.3)
<i>Fuelwood</i>									
Charcoal	Kg	116,056	113,265	7,196	(93.6)	595,969	460,798	165,465	(64.1)
Firewood	cord	283	1,354	1,571	16.6	2,685	2,888	3,757	30
Plywood	m ³	...	17,582	22,760	30	...	76,159	86,599	14
NON-TIMBER FOREST PRODUCTS:									
Wattles	piece	4,780	230	1,425	520	14,036	4,576	4,885	6.8
Mangrove Bark	kg	0	10,841	12,655	17	0	25,129	65,648	161
Manicole Palm	stem	2,171,000	2,093,898	1,824,586	(12.9)	7,305,772	7,584,320	5,148,301	(32.1)
Processed Manicole Palm (Heart of Palm)	cartons	...	38,623	...	(100)	...	174,545	34729	(402.6)

Sources: Guyana Forestry Commission, Amazon Caribbean Limited for Processed Manicole Palm

Notes:

- % change refers to the percentage change in production.
- ... Data are not available.

8. DOMESTIC PRODUCTION

8.1 Primary Production

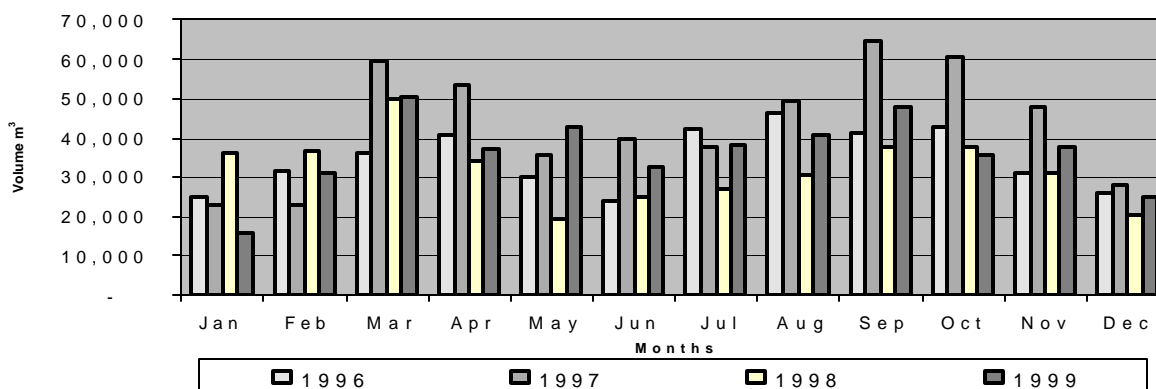
8.1.1 Timber

Primary timber production is accounted for by the production of logs, chainsawn lumber, roundwood, splitwood and fuelwood. Logs and chainsawn lumber originate from fifty-nine (59) species - listed in the annex to this report. Roundwood includes piles - (Greenheart, Kakaralli, Mora), poles, posts and shingles. Splitwood includes staves - (paling and vat) and shingles. Fuelwood is two-fold comprising, charcoal and firewood. A discourse into each category is presented below.

Cumulative primary timber production in the fourth quarter showed mixed movements over the period 1997 to 1998. Relative to 1997, total timber production in 1999 was recorded as an approximate 9.3% reduction. Relative to 1998 however, in 1999 approximately 12% more timber was produced.

Logs

Graph 1: Monthly Log Production, 1996-1999



Log production has been a significant component of primary timber production. In the fourth quarter of 1999, log production accounted for 85.6% of total primary timber production as compared with 87% in 1998 and 88.7% in 1997.

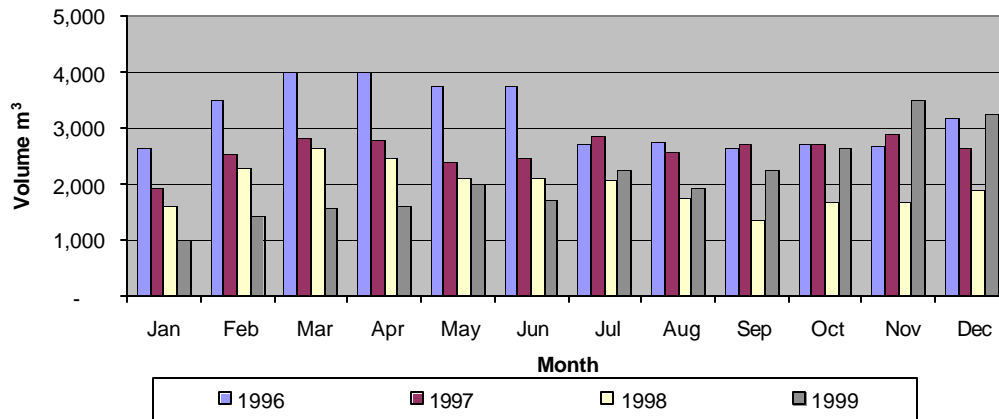
Total log production in the fourth quarter of 1999 surpassed the level realised in the corresponding period in 1998 by 9,596 m³. This achievement however was 14,114 m³ less than that recorded in 1997. There was a 2.5% reduction in the production of greenheart logs, which contributed to the change realised in 1999.

In the fourth quarter of 1999, greenheart production in log form accounted for approximately 18% of total log production as compared with 20.5% in the corresponding period of the prior year.

Due to gaps in data for 1998, further analysis is not possible. No other category of log produced can be discussed.

Chainsawn Lumber

Graph 2: Monthly Chainsawn Lumber Production, 1996-1999

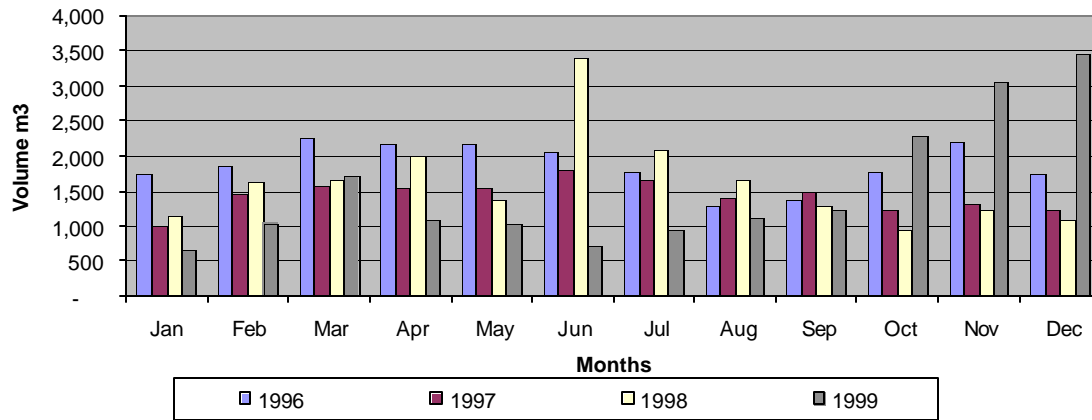


Chainsaw production in the fourth quarter of 1999 accounted for approximately 8% of the total timber production in 1999. This represents a 2.9% increase over the corresponding period of 1998. Cumulative production of chainsawn lumber was 6.1% higher in 1999 (relative to 1998) with the most significant growth being realised in the fourth quarter and specifically in November, as can be depicted from Graph 2.

The 4,036 m³ increase (76.2%) in the production of chainsawn lumber in the fourth quarter of 1999, relative to the corresponding period of 1998, is attributable to the increased number of chainsaw operators. Closely linked to this also, is the demand for chainsawn lumber brought about by the significant growth being experienced in the domestic housing industry.

Roundwood

Graph 3: Monthly Roundwood Production, 1996-1999

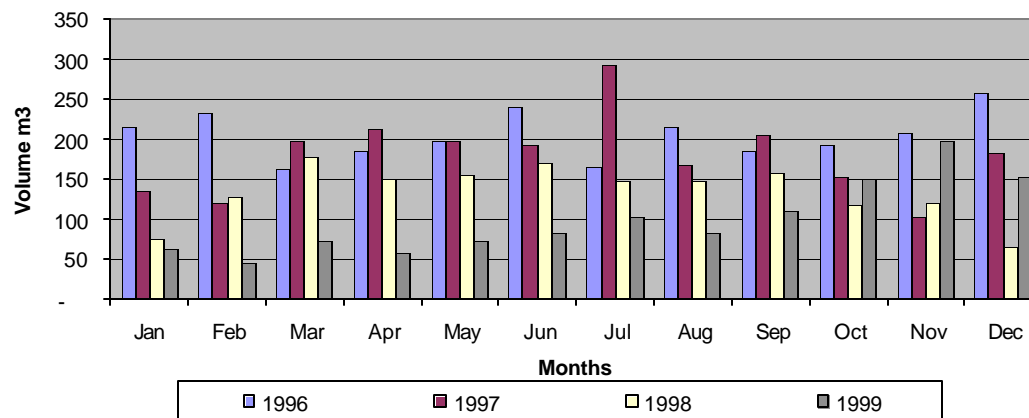


Cumulative roundwood production in 1999 amounted to 13,559 m³, 30.1% less than that achieved in 1998, but 21.1% more than that realised in 1997. As Graph 3 elucidates, significant contributions to the achievement in 1999 were realised in the fourth quarter, and specifically in December when 3,465 m³ were produced (the highest production made in any month in 1997, 1998 and 1999).

The category greenheart piles has maintained the status of being the major contributor in the roundwood category. However, in the fourth quarter of 1999 this contribution was 3% less than that realised in the corresponding period of 1998. The production of spars remained constant in this period, while production of Karakalli piles, Wallaba poles and posts declined.

Splitwood

Graph 4: Monthly Splitwood Production, 1996-1999



Cumulative splitwood production in 1999 dropped (as depicted in graph 4) by 26.4% and 45%, relative to 1998 and 1997 respectively. In the fourth quarter of 1999 however, production of splitwood increased from levels achieved in previous quarters (almost threefold over the first quarter). Further, as can be detected from graph 4, in the fourth quarter of 1999, production of splitwood increased marginally from levels realised in the corresponding period of 1998 and 1997.

Growth realised in the quarter under review is linked to significant improvements in the production of paling staves (65% and 4% relative to 1998 and 1997 respectively) and shingles (137% and 100% in 1998 and 1997 respectively).

Fuelwood

Fuelwood production continues to be a minuscule portion of total primary timber production. In the fourth quarter 1997 it accounted for 1.3%, in 1998 it grew to 4.5% (in the fourth quarter), by 1999 (in the fourth quarter) it was 3.5. %

Total fuelwood production (comprising the production of charcoal and firewood) in the fourth quarter of 1999 amounted to 2,767 m³. This represents an approximate 200% decline over the previous year's production in the corresponding period.

Charcoal production in the fourth quarter of 1999 has proliferated by 37.5% over its 1997 level, and a further 41% over that recorded in 1998. 17.5% of the charcoal produced in the quarter under review in 1999 has penetrated foreign markets (in the Caribbean). Charcoal consumed domestically has been in decline as there are successful strategies aimed at promoting the consumption of liquefied petroleum gases as fuel for cooking purposes.

Firewood production in the fourth quarter of 1999 declined by 59% below that achieved in 1998, but was almost two times the production level in 1997. The decline experienced in the quarter under review, relative to the corresponding period of 1998 is primarily attributable to active attempts to increase the use of liquefied petroleum gases.

8.2 Non Timber Forest Products

Wattle

Wattle production in 1999 improved marginally, relative to 1998, but was less than that realised in 1997. This is linked to the improvement in the agriculture sector in 1999 by 4.1% relative to 1998². In the fourth quarter of 1999, wattle production was 2,290 pieces; the highest production realised in 1999. This was primarily realised in November.

Mangrove Bark

As Table 4 indicates, total production of mangrove bark amounted to 27,622 kg in the fourth quarter of 1999. The production of Mangrove Bark in the fourth quarter of 1999 was 28% more than that realised in the corresponding period of 1998.

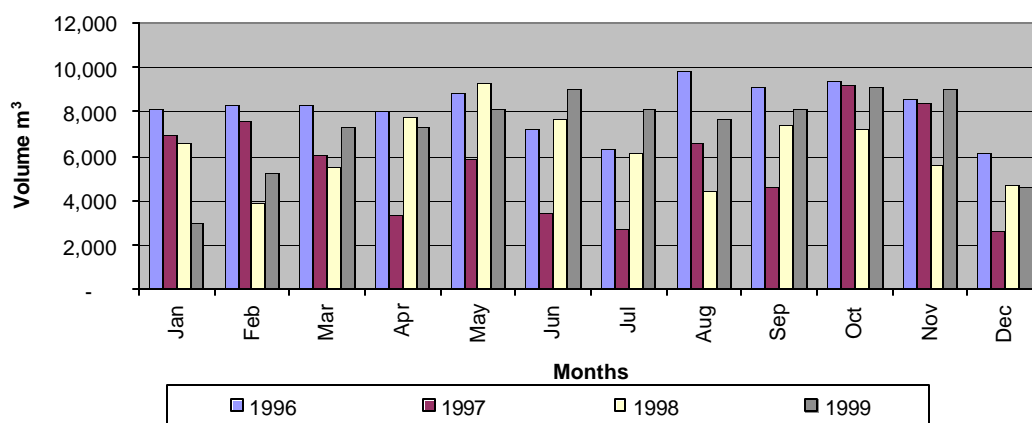
Manicole Palm

Manicole palm (*Euterpe oleracea*) refined and processed under the brand “Hearts of Palm” has declined in the fourth quarter of 1999. This represents a 16 % and 19% decline, when compared with the corresponding period of 1998 and 1997 respectively. This is linked to a reduced presence in a previously enjoyed market. This market accounts for approximately 95% of the world market for manicole palm.³

8.3 Secondary Production

Plywood

Graph 5: Monthly Plywood Production, 1996-1999



Note: Data for plywood production in December are unavailable.

Plywood production increased significantly in October and November of 1999. Relative to 1998, in October of 1999, the production of plywood increased by approximately 25.7% and by a further 60.8% in November.

² Source: Bureau of Statistics - figure excludes the production of Rice and Sugar.

³ Source: Amazon Caribbean Guyana Limited.

9. ROYALTY ON PRODUCTION

Royalty is levied as a percentage of the volume of primary forest products harvested from Guyana's State forest.

As indicated in Table 5, the fourth quarter of 1999 saw a 38.8% and a 6.7% improvement in royalty assessed, relative to the corresponding period of 1998 and 1997 respectively. This is reflective of an overall improved production of forest produce in the period under review (see Table 4)

Relative to the fourth quarter of 1999, royalty assessed in the fourth quarter of 1999 was greater for all categories of products (listed in Table 5) except manicole palm - the production of which has been in decline.

Graph 6 Monthly Royalty on Production, 1997-1999

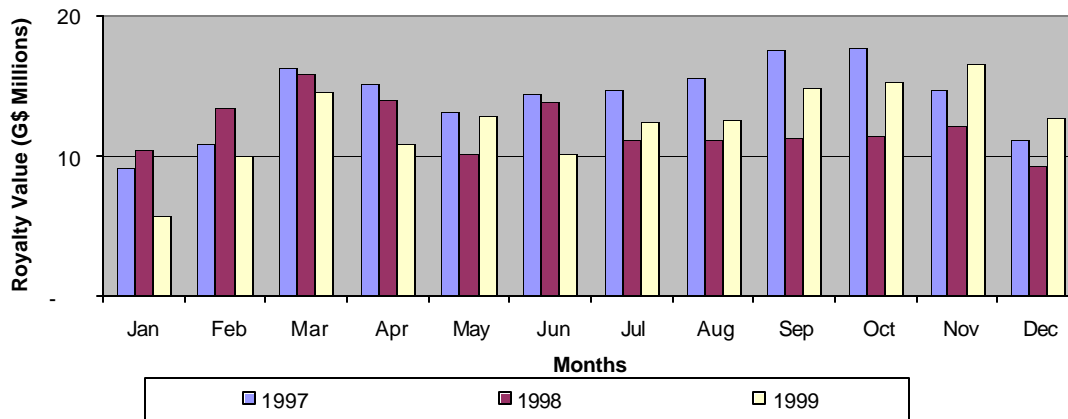


Table 5: Breakdown of Royalty on Production (October - December)

PRODUCTS	1997	1998	1999	97 - 99 % Change
TIMBER PRODUCTS				
Logs				
Greenheart	6,604,176	...	8,809,836	33.4
Special Class	3,160,175	...	3,922,904	24.1
Class 1	6,791,840	...	6,327,661	(6.8)
Class 2	7,353,697	...	5,186,048	(29.5)
Class 3	613,372	...	1,031,425	68.2
Total Logs	24,523,260	...	25,277,874	3.1
Chainsaw Lumber (CL)				
Greenheart	4,367,526	...	4,440,665	1.7
Special Class	1,279,987	...	915,379	(28.5)
Class 1	5,920,781	...	6,892,197	16.4
Class 2	766,408	...	1,430,172	86.6
Class 3	389,406	...	475,081	22
Total CL	12,724,108	...	14,153,493	11.2
Roundwood				
Greenheart Piles	1,173,660	...	2,193,300	86.9
Kakaralli Piles	170,521	...	24,479	(85.6)
Mora Piles	...	...	0	...
Wallaba Poles	984,225	...	792,346	(19.5)
Posts	185,878	...	162,338	(12.7)
Spars	25,658	...	38,030	48.2
Total Roundwood	2,503,942	...	3,210,493	28.2
Splitwood				
Paling Staves	185,766	...	194,039	4.4
Vat Staves	1,010	...	0	...
Shingles	0	...	39,675	100
Total Splitwood	186,776	...	233,714	25.1
Fuelwood				
Charcoal	153,516	...	211,080	37.5
Firewood	31,174	...	61,061	95.9
NON-TIMBER FOREST PRODUCTS				
Wattles	1,884	...	9,860	423.4
Mangrove Bark	0	...	30,448	100
Manicole Palm	1,490,977	...	1,214,934	(18.5)
TOTAL ROYALTY	41,615,637	32,000,000	44,402,956	6.7

Source: Guyana Forestry Commission.

Note: Data are unavailable.

10. EXPORTS

10.1 Export: Volume and Value

Table 6: Export Volume of Forest Products

PRODUCTS	Unit	3 rd Quarter (Jul - Sep)			4 th Quarter (Oct. - Dec.)			Cumulative (Jan. - Dec.)		
		1998	1999	% change	1998	1999	% change	1998	1999	% change
Logs	m ³	12,097	6,762	(44)	4,742	6,632	39.9	51,850	47,597	(8.2)
Sawnwood	m ³	4,497	4,535	0.85	3,842	5,596	45.7	20,037	21,719	8.4
Roundwood	m ³	1,061	1,899	79	2,428.11	2,216.09	(8.7)	8,685.11	6,166.09	(29)
Splitwood	m ³	210	147	(30)	184.4	118.1	(36)	778	579.1	(25.6)
Charcoal	Kg	58,885	16,329	(72)	1,364	...	...	111,080	...	...
Plywood	m ³	17,792	19,348	9	15,123	22,234	47	66,815	86,073	29
Hearts of Palm (Manicole)	Carton	41,727	37,333	(11)	29,858	14,122	(52.7)	152,559	73,655	(51.7)

Sources: Guyana Forestry Commission
Amazon Caribbean Limited

Note: Sawnwood includes dressed lumber, undressed lumber, sleepers and pallets
Roundwood includes hewn, piles, poles and posts
Splitwood comprises shingles and paling staves
... Data are unavailable.

Table 7: F.O.B. Export Value of Forest Products ('000 US\$)

PRODUCTS	3 rd Quarter (Jul - Sep)			4 th Quarter (Oct. - Dec.)			Cumulative (Oct. - Dec. 1999)		
	1998	1999	% change	1998	1999	% change	1998	1999	% change
Logs	715.47	422.59	-41	269.65	432.42	60.4	3,442.32	3,055.78	(11.2)
Sawnwood	1,670.16	1,731.49	4	1,485.14	2,146.94	44.6	7687.68	6,670.37	(13.2)
Roundwood	198.55	289.24	46	334.08	406.45	21.7	1,470.43	1,029.31	(30)
Splitwood	66.66	72.50	9	92.69	62.97	(32)	274.47	289.86	5.6
Charcoal	4.04	5.89	46	0.34	1.69	397	14.21	11.02	(22.4)
Plywood	4,004.30	6,281.66	55	3,969.65	2,972.93	(25)	16,167.57	19,414.7	20.1
Heart of Palm (Manicole)	853.21	522.72	-39	480.79	291.25	(39.4)	2,919.12	1,851.99	(36.6)
TOTAL	7,512.39	9,326.09	24	6,632.34	6,314.65	(4.8)	31,975.84	32,323.03	1.1

Sources: Guyana Forestry Commission
Amazon Caribbean Limited

Note: Sawnwood includes dressed lumber, undressed lumber, sleepers and pallets
Roundwood includes hewn, piles, poles and posts
Splitwood comprises shingles and paling staves

10.2 Export: Destination

An examination of volume exports is presented in this chapter.

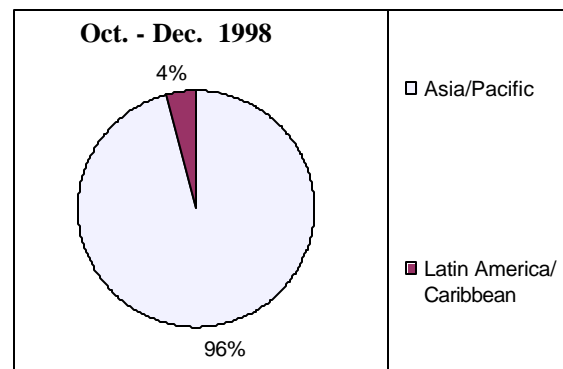
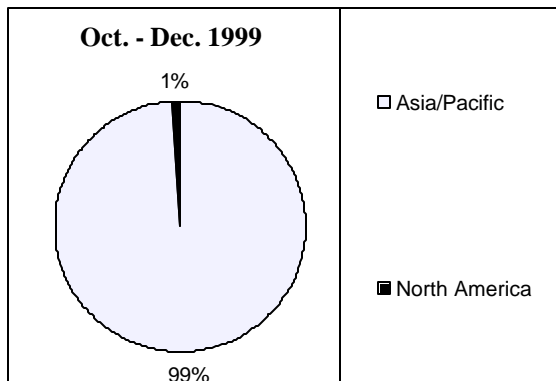
Logs

Total exports in log form in the fourth quarter of 1999 accounted for 6.7% of total log production. In the corresponding period of 1998 it was 5.3%.

In the fourth quarter of 1999 there was an increase in the composition of species exported. Forty (40) species were exported, the principal ones being baromalli (32.8% of total log exports), purpleheart (26.2% of total logs exported), locust (9.8% of total logs exported), wallaba (9.0% of total logs exported), Ulu (5.6% of total logs exported). Greenheart accounted for 1.1% of the total logs exported.

As the second graph shows, in the fourth quarter of 1998, 95.8% of total logs exported went to the Asian market, 4% less than that in the corresponding period of 1999. Singapore was the major importer of hardwood from Guyana. The remainder went to the Caribbean – Trinidad. The main species exported in this period ranked in descending order of volume were; mora, wallaba and wabaima.

Analogously, logs exported in the fourth quarter of 1999 penetrated two markets, as the graph below indicates. As is evident, there was growth in the Asian/Pacific market in the fourth quarter of 1999, relative to the corresponding period of 1998. In the period under review, 99.9% of total exports in log form went to the Asian/Pacific market and in particular to Hong Kong. The remaining 1.1% went to Miami, U.S.A (Greenheart).

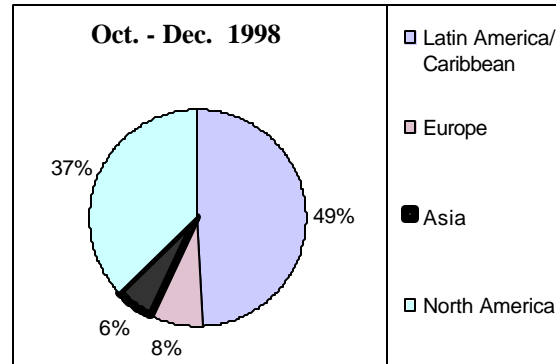
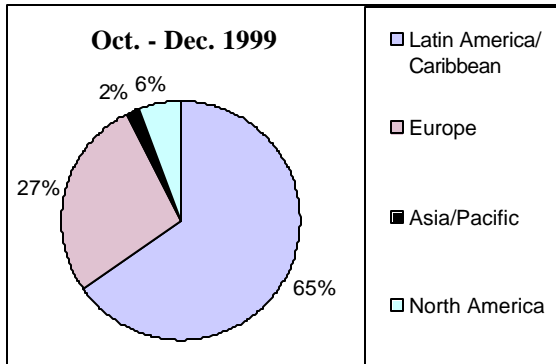


Sawnwood

Exports of sawnwood improved in the fourth quarter of 1999 by 45.7%, relative to the corresponding period of 1998. As indicated in the graphs below, exports to the Latin American/Caribbean market and to the Europe market increased significantly.

With respect to the Latin American/Caribbean market, the main contributions to the growth realised were the categories: sleepers (100% improvement in exports) and dressed lumber (48.1% improvement in exports). However, there was a 79.1% decline in the export of undressed lumber to this market.

Exports to the European market showed significant improvements in the categories - dressed and undressed lumber. The improvements in the exports of these categories of products to the European market were however matched by a 100% reduction in the export of sleepers.



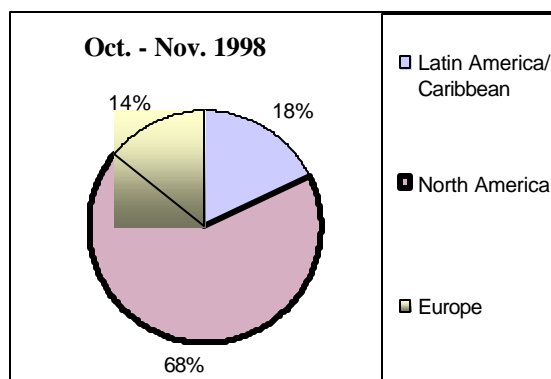
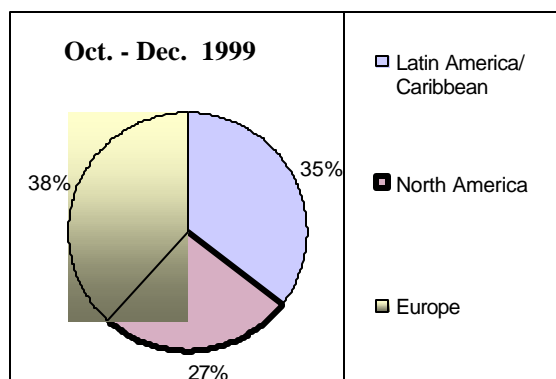
Roundwood

There was a decline in the export of roundwood in the fourth quarter of 1999, relative to the corresponding period of 1998. Exports continued to penetrate only three markets, and as evident from the graphs below, while there were improvements in export to the Latin American/Caribbean and European markets, there was a significant decline in exports to the North American market.

As Table 7 shows, in the fourth quarter of 1999, roundwood exports amounted to 2,428.11 m³ and were 8.7% less than that achieved in the corresponding period of 1998. Contributing partly to this reduction was a 26.9% decline in the export of piles. The primary reason for this was the contraction of import of greenheart piles into New York, U.S.A. New York was one of the larger markets for Guyana's piles (greenheart). Despite this, there were improvements in the export of the categories: hewn, poles and posts, with the most significant improvement being realised in the category poles (90.6%).

As indicated below, the European market for Guyana's roundwood continued to grow. In the fourth quarter of 1999, there was a 100% improvement in the export of hewn to Glasgow and decline in the export of piles. The Latin American/Caribbean market also showed continued growth in the fourth quarter of 1999. Contributing to this success were a 77.4% increase in the exportation of posts, a 65.5% increase in the export of piles and a 88.9% increase in the export of poles to this market.

However, in the fourth quarter of 1999 there was a contraction of the North American market. Relative to the fourth quarter of 1998, in the corresponding period of 1999, there was a 100% reduction in North America's import of Guyana's hewn. Further, there were 59.1% and 96.6% reductions in exports of piles and poles, respectively, to this market.

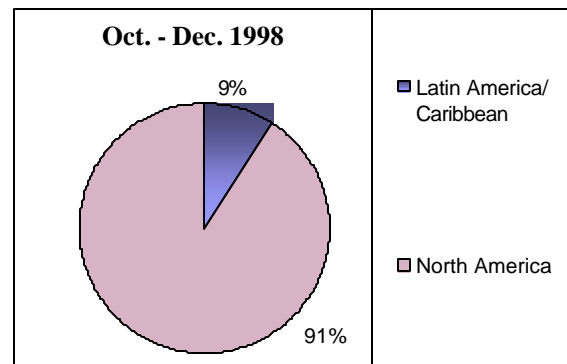
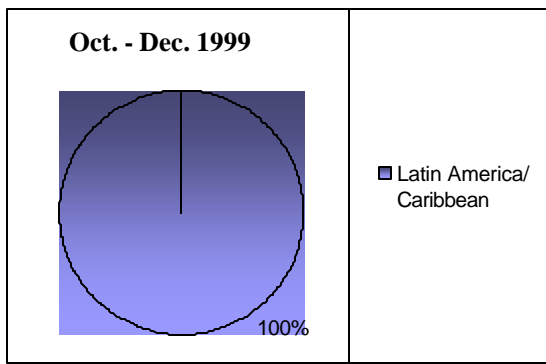


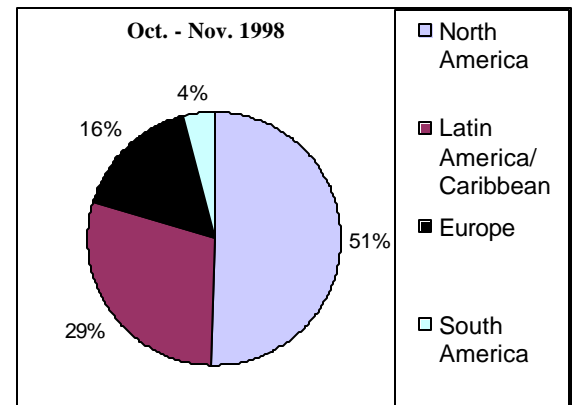
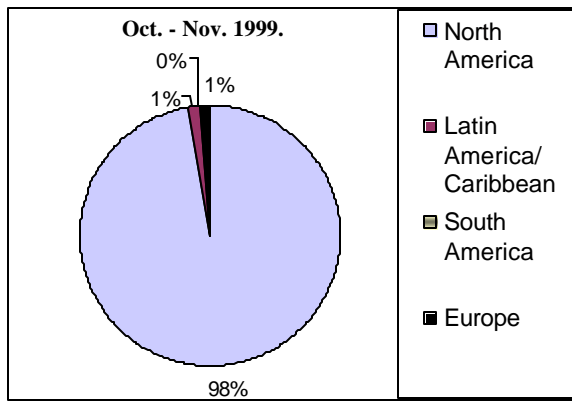
Splitwood

Exports of splitwood in both periods under comparison (fourth quarters of 1998 and 1999) comprised of shingles only.

In the fourth quarter of 1999 there was the absence of the North American market. All splitwood was exported to the Caribbean market, as indicated in the graph below. The countries penetrated were Barbados (40.1% of total splitwood exported), Antigua (12.9% of total splitwood exported), St. Marteen (13.1% of splitwood exported), Monsterrat (13.1% of splitwood exported) and St. Lucia (1.14% of splitwood exported).

In the fourth quarter of 1998, 90.8% of total splitwood exported went to the Caribbean market. Countries exported to were: Trinidad (18.4% of splitwood exports), St. Lucia (18.2% of splitwood exports), Barbados (17.1% of splitwood exports), St. Kitts (27.7% of splitwood exports), Guadeloupe (9.2% of splitwood exports), Antigua (9.1% of splitwood exports) and St. Marteen (0.17% of splitwood exports).





Plywood

There have been sustained recoveries in the export of plywood. In the fourth quarter of 1999, there was a significant improvement in the export of plywood. However the composition of markets was skewed to North America. As evident from the graphs above, in the fourth quarter of 1999 locally produced plywood had an increased presence on the North American market (47% increase relative to the corresponding period of 1998). The principal buyer on the North American market was the United States of America. Parallel to this, plywood experienced a sharp reduction of the previously limited South American market. This is associated with the absence of the Venezuelan market in the fourth quarter in 1999, which in the corresponding period of 1998 accounted for 52.7% of total South American imports of plywood from Guyana.

Equally evident were significant contractions of Latin American and European markets.

11. PRICES

11.1 Domestic Prices

Prices quoted in this section are countrywide average domestic prices. The average regional prices will vary depending on location of sale; i.e. prices in Georgetown are significantly higher than the prices in the outlying regions such as Berbice and Essequibo given factored in costs such as transportation costs.

The Minimum price (Min.) represents the lowest price established while the maximum price (Max.) is the highest price for the product.

Average Domestic Prices (minimum and maximum) for 4th Quarter of 1999

Logs G\$

Species	October		November		December		Qtr. Average	
	Min/m3	Max/m3	Min/m3	Max/m3	Min/m3	Max/m3	Min/m3	Max/m3
Baromalli	8,833	8,833	7,167	7,167	8,000	10,500	8,000	8,333
Crabwood	...	...	9,722	9,722	10,500	10,500	10,111	10,222
Greenheart	10,083	10,083	10,417	10,417	11,889	13,278	9,417	11,250
Locust	10,278	10,278	10,000	10,000	11,250	11,389	10,500	10,556
Mora	7,222	7,222	7,222	11,361	7,222	11,361	7,222	9,972
Purpleheart	...	...	8,917	10,917	11,333	11,389	10,139	11,167

Dressed Lumber G\$

Species	October		November		December		Qtr. Average	
	Min/m3	Max/m3	Min/m3	Max/m3	Min/m3	Max/m3	Min/m3	Max/m3
Crabwood	44,529	44,529	36,048	44,529	40,712	44,529	41,561	43,257
Greenheart	47,922	47,922	47,922	47,922	47,922	61,493	47,922	52,587
Locust	44,529	44,529	41,561	44,529	44,529	46,650	43,681	45,377
Mora	27,566	27,566	27,566	33,927	27,566	37,320	27,566	33,079
Purpleheart	45,802	45,802	45,802	45,802	45,802	51,315	45,802	47,498
Shibadan	33,927	33,927	33,927	35,199	33,927	40,713	33,927	36,472
Tauroniro	40,288	40,288	39,440	40,288	40,288	43,257	39,864	41,137

Undressed Lumber G\$

Species	October		November		December		Qtr. Average	
	Min/m3	Max/m3	Min/m3	Max/m3	Min/m3	Max/m3	Min/m3	Max/m3
Crabwood	29,686	29,686	29,686	33,079	29,686	36,048	30,958	31,807
Greenheart	42,409	42,409	42,409	43,681	42,409	50,891	42,833	45,377
Locust	48,770	48,770	40,713	48,770	43,681	48,770	46,226	47,074
Mora	21,204	21,204	21,204	33,079	21,204	33,927	21,204	28,838
Purpleheart	41,985	41,985	41,137	41,985	41,985	45,802	41,561	43,257
Shibadan	28,838	28,838	28,838	31,807	28,838	34,351	28,838	41,137
Tauroniro	27,566	27,566	27,566	35,199	27,566	38,592	27,566	33,927

Other Products

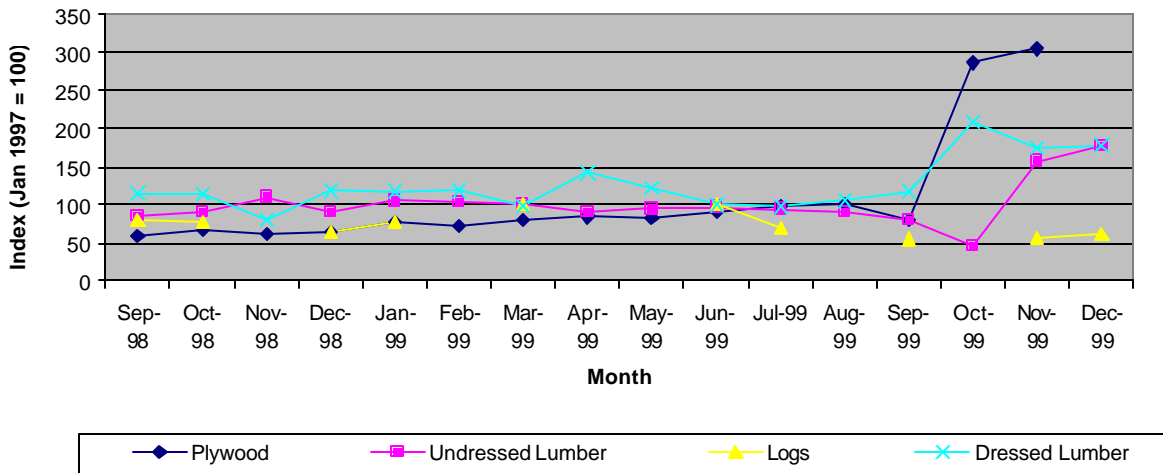
Product	Unit	October		November		December 99	
		MinG\$/unit	MaxG\$/unit	Min G\$/unit	MaxG\$/unit	Min G\$/unit	MaxG\$/unit
Greenheart Piles <=55'	Lin ft.	560	725	401	491	401	580
Kakaralli Piles <=55'	Lin ft.	500	500	500	500	...	...
Greenheart Piles >55'	Lin ft.	947	1,132	562	1,162	562	1,162
Wallaba Poles <=50'	Lin ft.	425	425	170	250	280	280
Wallaba Posts 10'	Post	...	...	750	900	300	350
Wallaba Posts 8'	Post	...	...	300	350	750	900
Shingles	Piece	...	...	14	16	15	17

Plywood

G\$/4'x8' Average Retail Price (October – December 1999)

Width	October	November	December
5.2 mm	914	914	914
9 mm	1,522	1,522	1,522
12 mm	2,011	2,011	2,011
15mm	2,525	2,525	2,525
18 mm	2,925	2,925	2,925

Graph 7: Average F.O.B. Prices for Selected Products



11.2 Export Prices

Graph 7 above shows movement of average export prices for logs, dressed lumber, undressed lumber and plywood. January 1997 is the base period (Jan 1997=100)

The price for dressed lumber has fluctuated in the fourth quarter of 1999. In November it increased sharply and then declined in December. However, the price levels in the fourth quarter of 1999 were higher than those in January 1997.

The price of undressed lumber increased in November and further in December after a decline in October 1999.

Log prices remained lower than those in January 1997. In November of 1999, there was no change recorded. However, as indicated in graph 7, there was a slight increase.

Plywood prices have risen significantly in the fourth quarter of 1999.

12. CALENDAR OF KEY ISSUES IN GUYANA'S FORESTRY SECTOR; OCTOBER TO DECEMBER 1999.

November, 1999

Barama Company Limited has publicised that it is exploring a joint venture arrangement with A. Mazaharally and Sons Limited in forest harvesting and management.

Barama has invested to begin the construction of a 120-km road link from Buck Hall, located about six miles from the Supenaam River in the Essequibo, to its Port Kaituma operation.

December, 1999

Barama Company Limited (BCL) unveiled its plan to construct a sawmill and a veneer plant over 500 acres of land at Buck Hall, Essequibo.

The Guyana Forestry Commission in collaboration with the Regional Administration of Region 10 conducted a first participatory workshop at Linden. The workshop aimed at developing a management framework for forest resources in the Christianburg/Sand Hills District. It was attended by representatives of the Environmental Protection Agency, Lands & Surveys Department, Ministry of Trade Tourism and Industry, Guyana Geology and Mines Commission, The Regional Democratic Council, Demerara Timbers Limited and several loggers from Region 10.

In keeping with the National Forest Policy which demands effective and efficient organisation to co-ordinate the development of the forestry sector, The Guyana Forestry Commission (GFC), in collaboration with the Department for International Development (DFID) and the Institute of Business, University of Guyana launched a training programme for GFC managers.

Employees of the Guyana Forestry Commission attended a three-week course on *reduced impact logging* in Brazil.

ANNEXES

CLASSIFICATION OF TIMBERS

Ref: First Schedule, Forest Act. Amendments, 1996

Classification	Species (Local Names)	Species (Scientific Names)
Special Category	Greenheart Purpleheart Brown Silverballi Red Cedar Letterwood Bulletwood	Chlorocardium rodiei Peltogyne venosa Licaria cannella Cedrela odorata Brosimum guianense Manilkara bidentata
Class 1	Crabwood Yellow Silverballi Itikiboraballi Locust Tatabu Determa Wamara Kabukalli Shibadan Tauroniro Manniballi Washiba Hakia Dalli Suya Ulu Simarupa Aromata Mora Morabukea Hububalli	Carapa guianensis Aniba hypoglauca Swartzia xanthopetala Hymenaea oblonifolia Diptotropis purpurea Ocotea rubra Eperua grandiflora Goupia glabra Aspidosperma album Humiria balsamifera Moronobea coccinea Tabebuia sp. Tabebuia serratifolia Virola spp. Pouteria speciosa Trattinickia demerarae Quassia simarouba Clathrotropis branchyptepala Mora excelsa Mora gonggrijpii Loxopterygium sagotii
Class 2	Baromalli Dukalli Kereti Silverballi Kurahara Wabaima Karahoro Baradan Ubudi Kirikua Kurokai Maporokan Monkey Pot Manni Pakuri Yaruru (Yarula) Muneridian Wallaba	Catostemma commune Parahancornia fasciculata Lauraceae spp Calophyllum lucidum Licaria cannella Schefflera decaphylla Ocotea tomentella Anarcadium giganteum Iryanthera macrophylla Protium decandrum Inga alba Lecythis zabucajo Symphonia globulifera Platonia insignis Aspidosperma excelsum Siparuna spp. Eperua grandiflora
Class 3	Burada Duka Dukaria Fukadi Inyak Limonaballi Suradan White Cedar Futui Halchiballi Haiariballi Huruasa Iteballi Kakaralli Kauta Other Species	Parinari campestris Tapirira marchandi Sacoglottis cydonioides Terminalia amazonia Antonia ovata Chrysophyllum pomiferum Hyeronima alchorneoides Tabebuia insignis Jacaranda copaia Pera schomburgkiana Alexa imperatricis Abarema jupunba Vochysia schomburgkii Eschweilera alata Licania laxiflora

<i>Glossary of terms</i>	
Firewood	Include parts of trees made up into bundles or loads, or cut in a manner in which it is usual to cut wood for burning, and all refuse wood generally, but does not include straight logs or poles of any kind.
Fuelwood	Wood in the rough, from trunks and branches of trees, to be used as fuel for purposes such as cooking, heating and power production.
Non-timber forest products	All biological material, other than industrial roundwood, that may be extracted from natural ecosystems, either for commercial purposes, for use within the household or for social, cultural or religious purposes. Also known as non-wood forest products.
Poles	Straight pieces of 5m. or more in length taken from tree trunks. They are used principally to support telephone, telegraph and electrical transmission lines and for scaffolding.
Posts	Round, hewn, squared or split wood, usually less than 3m. in length, but possibly up to 5m., used for fencing, guard rails and the like.
Roundwood	Wood in its natural state as felled or otherwise harvested, with or without bark, round, split, roughly squared or in other forms.
Spars	Saplings 6-10 “(15-25 cm) in diameter.
Timber	Includes a tree or any ligneous part of a tree whether standing, fallen or felled, and all wood, whether or not sawn, split, hewn or otherwise cut up or fashioned.
Wattles	Saplings less than 3” (8 cm) in diameter.
State Forest Permissions (SFPs)	One year leases for areas up to 20,000 acres of State Forest.
Wood Cutting Leases (WCLs)	Three to ten year leases for areas of 20,000 to 60,000 acres of State Forest.
Timber Sales Agreements (TSAs)	Leases valid for twenty years or more for an area of 60,000 acres or more of State Forest.
Plywood	A panel comprising of an assembly of veneer sheets boded together.

<i>Average Quarterly Exchange Rates</i>	
October - December 1997	G\$142.76=US\$1
October - December 1998	G\$160.80=US\$1
October - December 1999	G\$180.02=US\$1

Source: Bureau of Statistics, Guyana

Metric Conversion Table

To convert	From	Into m³ multiply by
Logs	Cft hoppus	0.036
	Cft	0.0283
Mill sawn lumber	Board ft/Board Measure	0.002358
Chainsawn lumber	Board ft/Board Measure	0.002358
Piles	Linear ft	0.02
Poles	Linear ft	0.0067
Posts	Linear ft	0.0057
Paling staves	Pieces	0.00236
Vat staves	Pieces	0.001132
Shingles	Pieces	0.000566
Spars	Linear ft	0.000283
Charcoal	Lbs.	0.0034
Firewood	Cords	2.83

Source: GFC, FAO

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Note:

The Guyana Forestry Commission is responsible for the provision of the domestic statistical data on forestry.