

In February prices for wood boards in Russia moved in different directions. The demand for plywood and OSB-3 in February remained low.

The average price for 1 m³ of particle board (quality grade 1, E1) in February was 6,914 rubles, 1% higher than in January; the price for 1 m³ of laminated particle board (quality grade 1, E1) was 11,562 rubles, 1% lower than in January. Fiberboard (quality grade 1, TSN 40) in February cost 54 rubles per m², 1.8% more than on the past month. The price for OSB-3 decreased by 4%, to 15,860 rubles per m³; medium density fiberboard (quality 1, Sh.) cost 15,100 rubles per m³, 3% more than in January. The price of standard format (1,525*1,525*18) waterproof plywood (quality grade II/II FK birch) decreased by 7% and cost 23,171 rubles. One m³ of plywood of the format 1,525*1,525*21 (quality III/IV FK birch) in February cost 16,750 rubles, 11% less than in January.

The average price of particle board (quality grade 1, E1) increased by 1% compared to January and amounted to 6,914 rubles per m³. Smooth particle board (quality grade 1 and quality grade 2) in February had a high demand. Sellers reported constant lack of such boards on the market. Boards were bought mainly for the production of furniture and for construction. However, producers reported that the demand for 1st quality particle board from small furniture companies was particularly high. For them this is an usual practice to buy these boards for further pasting or lamination, which is cheaper than buying laminated board. National producers, whose boards are more expensive than those of foreign producers, did not have problems selling their production in February.

In February demand for laminated particle board decreased. The average price for laminated particle board (quality grade 1, E 1) decreased by 1% compared to January and amounted to 11,562 rubles per m³. This can be explained by the fact that laminated particle board production is definitely higher than the demand. Therefore, producers have difficulties selling the production. It should be noted that, with the beginning of the new year, some producers reduced their production volumes, and some even ceased to produce 3500*1750 format. So, Plitprom officially ceased to produce this format due to low demand. However, in the regions this format is sold due to the lack of the European format.

The average price for OSB-3 decreased by 4% compared to February and amounted to 15,860 rubles per m³. According to traders, a further insignificant reduction of the prices is expected. This is caused by the fact that currently the market of OSB largely

expanded, new supplier countries appeared. The price is influenced also by the lack of demand from the main users of OSB-3, i.e. constructors. The demand increase, apart from being influenced by the actual beginning of the construction and decoration season, may depend also on the weather. If the spring is warm enough, traders will expect a good demand for such boards.

The demand for medium-density fiberboard in February was the same as in January. The average price was 15,100 rubles per m³. Producers reported, together with the high demand, the lack of boards on the markets. This problem cannot be resolved by import, due to the shortage of boards also abroad. Also, the market lacks thin boards. Thus, the price for this kind of boards grows, and this trend will continue for a long period.

The demand for fiberboard in February was high. The price increased by 1.8% compared to February and amounted to 54 rubles per m². Thin fiberboard was bought mainly for the production of furniture parts and doors. Traders reported fast sales of the production.

The demand for plywood in February was low. The average price for one m³ of the 1525*1525*21 format (quality III/IV FK birch) amounted to 16,750 thousand rubles, 11% lower than in January. Factories had a rather high production volume, but had problems with sales. At the beginning of 2008 the export volumes reduced rather significantly, therefore most of the production was redirected to the internal market, which is already saturated. A further reduction of the prices per m² is expected, on average by 10%. Prices for large formats too insignificantly decreased.

In March the shortage of smooth particle board is expected to continue. Prices in this sector are not expected to decrease. The reduction of demand and prices for laminated particle board will continue. The price for OSB-3, due to market saturation by new suppliers, is expected to decrease by 5%

PRICES FOR WOOD PANELS IN Feb. 2008 IN CENTRAL AND NORTHWEST FEDERAL DISTRICTS
roubles per cubic meter, VAT inclusive

Type of board		Average price of manufact-s	Average price of traders	Average price in Feb.	Average price in Jan.	Changes from the levels in Jan.	Estimates for March
Chipboards	First grade, E1, 1830*2440*16	6663	7181	6922	6958	+1%	+2%
	2 Grade, E1, 1830*2440*16	5313	6038	5676	6136	-7%	
	First grade, E1, 1830*2750*16	6562	7250	6906	6701	+3%	
	2 Grade, E1, 1830*2750*16	5831	6790	6311	6601	-4%	
Laminated chipboard	First grade, E1 1830*2440*16	11101	12104	11300	11375	-1%	
	Grade 1, E1, 1830*2750*16	10918	12729	11823	11956	-1%	
Fiber boards (roub./cubic meter)	Grade 1, 1700*3300*3,2	38	52	45	44	+2%	+2%
	TSN 40, Grade 1, 2440*1220*3,2	42	57	54	53	+1,8%	
	Soft (160-180 kg/m), 2500*1200*12	88	106	97	98	-1,5%	
MDF	Grade A-1, 1830*2440*10	12400	13800	15100	14779	+2%	+2,5%
	Grade A-1, 2070*2440*12	12500	12600	12530	12414	+1,5%	
	Grade A-1, 1830*2440*18	11770	12800	13900	13857	+1,5%	
	Grade A-1, 2440*1220*6	12400	12740	12800	12630	+2%	
	Grade A-1, 1650*1830*10	12150	13700	13187	12994	+2%	
	Grade A-1, 2440*1830*16	12300	13800	13200	13049	+2%	
OSB-3	Grade 1/1, E1, 1250*2500*10	-	16200	16200	16876	-4%	-3%
	Grade 1/1, E1, 1220*2440*18	-	15511	15511	16157	-4%	
Plywood	Grade II/II 1525*1525 *18	21542	24800	23171	24975	-7%	-3%
	Grade IV/IV 2440*1220*18	16300	27802	22072	22429	-2%	
	Grade III/VI 1525*1525*21	15428	22081	16750	18848	-11%	

Monthly price reviews for the main types of board production are issued by the analysis service of Lesprom. Reviews contain information on current market prices, on their change dynamics and forecasts. Reviews are based on expert inquiries and monitoring of producers and traders current prices. To subscribe to price reviews, please call: +7 495 6262322 or email: akopylova@lesprom.com.