1. Based on percentage of total log export volume.
2. China includes exports to Hong Kong.
3. In 2001 Other is comprised of Malaysia, Indonesia and Vietnam. Indonesia only in 2002.

1. GP1 includes all other group 1 species not graphed individually.
AVERAGE LOG EXPORT PRICES

1997 – 2002 Actual average rates for log exports derived from SGS log export reports

KINA / US$ EXCHANGE RATES
1992 – 1996 Government PNG Budget papers
1997 – 2002 SGS log export reports

Tax rates have been amended from 16-11-93, 3% increase, from 11-03-94, 13% increase, on and from 22-11-95, current revenue system introduced, the effective tax rates increased only slightly but a marginal tax scale based on FOB value in Kina was implemented
26-10-98, the first K130 of FOB value was exempted from tax
09-08-99, the exemption was withdrawn and 1995 rates reapplied
01-01-02, marginal tax rates were reduced by 5%
TOTAL F.O.B. VALUE LOG EXPORTS (million)

F.O.B. EXPORT PRICE US$/M3 AND EXPORT TAX $/M3
### Key Statistics Log Exports 1999 – 2002

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export Volume M3</td>
<td>1,983,852</td>
<td>1,992,527</td>
<td>1,556,220</td>
<td>1,853,550</td>
</tr>
<tr>
<td>Value FOB US$</td>
<td>151,952,894</td>
<td>143,705,096</td>
<td>89,393,440</td>
<td>99,750,854</td>
</tr>
<tr>
<td>Value FOB Kina</td>
<td>385,572,125</td>
<td>383,746,252</td>
<td>283,089,897</td>
<td>367,043,757</td>
</tr>
<tr>
<td>Export Tax Paid Kina</td>
<td>100,597,156</td>
<td>135,853,442</td>
<td>95,770,091</td>
<td>112,692,564</td>
</tr>
<tr>
<td>Average Price US$/M3</td>
<td>76.60</td>
<td>72.12</td>
<td>57.44</td>
<td>53.82</td>
</tr>
<tr>
<td>Average Price Kina/M3</td>
<td>194.35</td>
<td>192.59</td>
<td>181.91</td>
<td>198.02</td>
</tr>
<tr>
<td>Average Tax Rate</td>
<td>26.1%</td>
<td>35.4%</td>
<td>33.8%</td>
<td>30.7%</td>
</tr>
</tbody>
</table>

### NUMBER OF COMPANIES INVOLVED IN LOG EXPORT SUB-SECTOR

![Bar chart showing the number of companies involved in log export sub-sector from 1997 to 2003.]
1. Southsea includes PNG, Malaysia, Indonesia, Solomon Islands. PNG’s share 2001, 20% (1997, 37.5%)
2. Source Japan Lumber Journal 31-5-02.

1. Plywood from all sources (mainly Indonesia 2.7m.M3 and Malaysia 1.8m.M3).
2. Source Japan Lumber Journal 31-5-02.
3. 1999 244M3, 2000 65M3 of certified (FSC) lumber of select species was exported. No other figures for small scale, eco forestry certified production or exports are available.

**PROCESSED EXPORTS BY COMMODITY ( M3 ’00 )**

Actual Woodchip volumes 1999 90,000M3
2000 120,000M3
2001 97,060M3
2002 97,428M3
1. Total value 2000 US$15.3m, 2001 US$16.2m, 2002 US$15.2m
AVERAGE EXPORT PRICES MINOR SPECIES & OTHER PRODUCTS US$/M3

- Pencil Cdr
- Vitex
- Walnut
- Woodchip
- Veneer
- Plyw'd
- Calo.
- Malas

1. Reliable figures are unavailable for areas established by private smallholders, mainly in East New Britain, for Balsawood production. Estimated area ranges up to 400 hectares. Charts do not include Balsa plantation figures.

PLANTATION DEVELOPMENT BY STATE/PRIVATE SECTOR AGENCIES
Major hardwood species planted include E.sp, Saligna, Robusta, Deglupta & Grandis, A. Mangium, T. Brassii
Minor hardwood plantings include Rosewood, Erima, Albizia F., Callophylum
Planting, thinning and felling cycles vary for different species and locations. Above estimates are based on average yields at maturity of 225M3/ha. Pinus and Rubberwood and 255M3/ha. for Teak and Hardwoods.
Note above – total cost to operator is cost of production plus loss.