

# Teak Resources for a Sustainable Future



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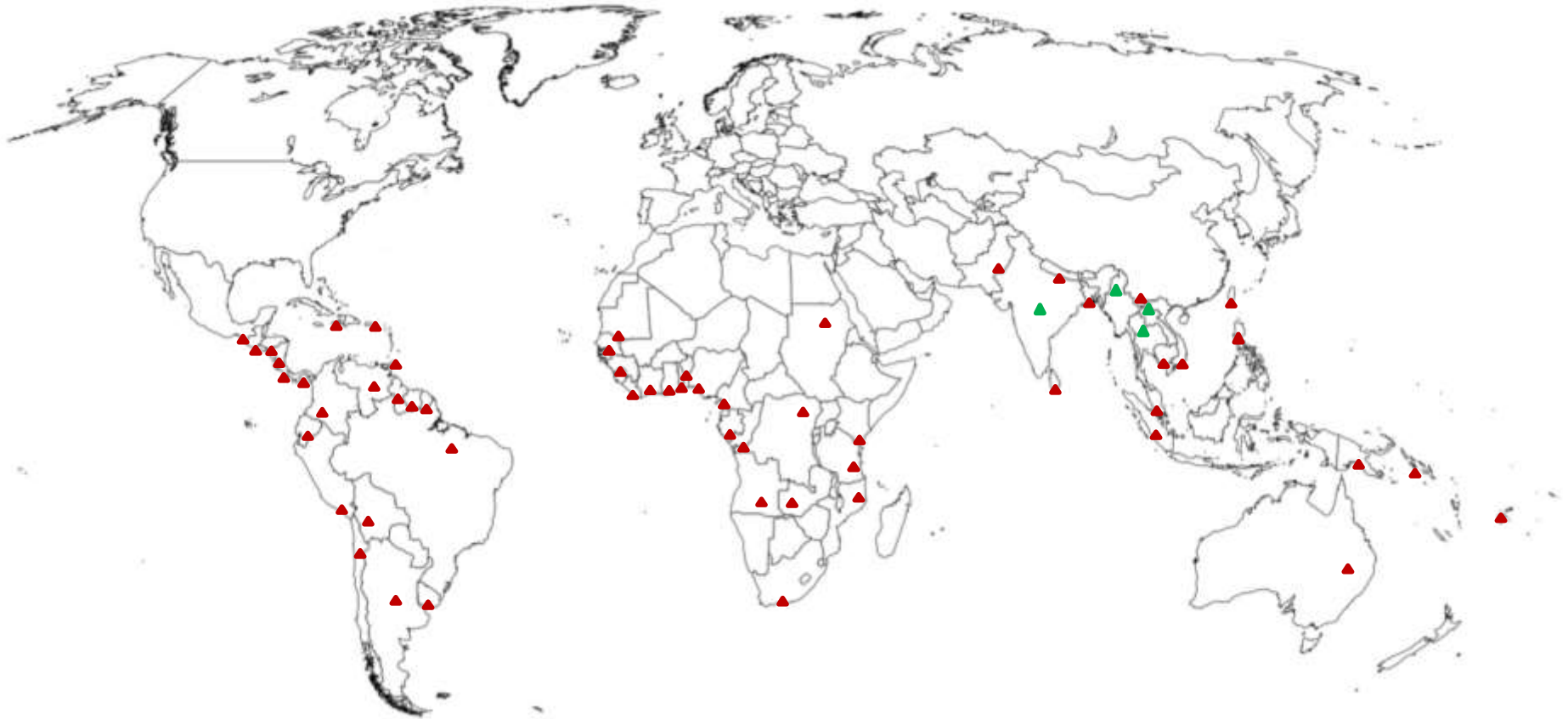
# Introduction

Teak is the most valuable tropical hardwood resource, very high demand in the world timber market due to its durability, aesthetic quality and ease of use for a variety of applications.

World's teak supply from natural and planted forests adds up to a total of 2-2.5 million m<sup>3</sup> annually.

Asia holds more than 90% contributing to the bulk of the resource.

# Global Distribution of Teak Resources

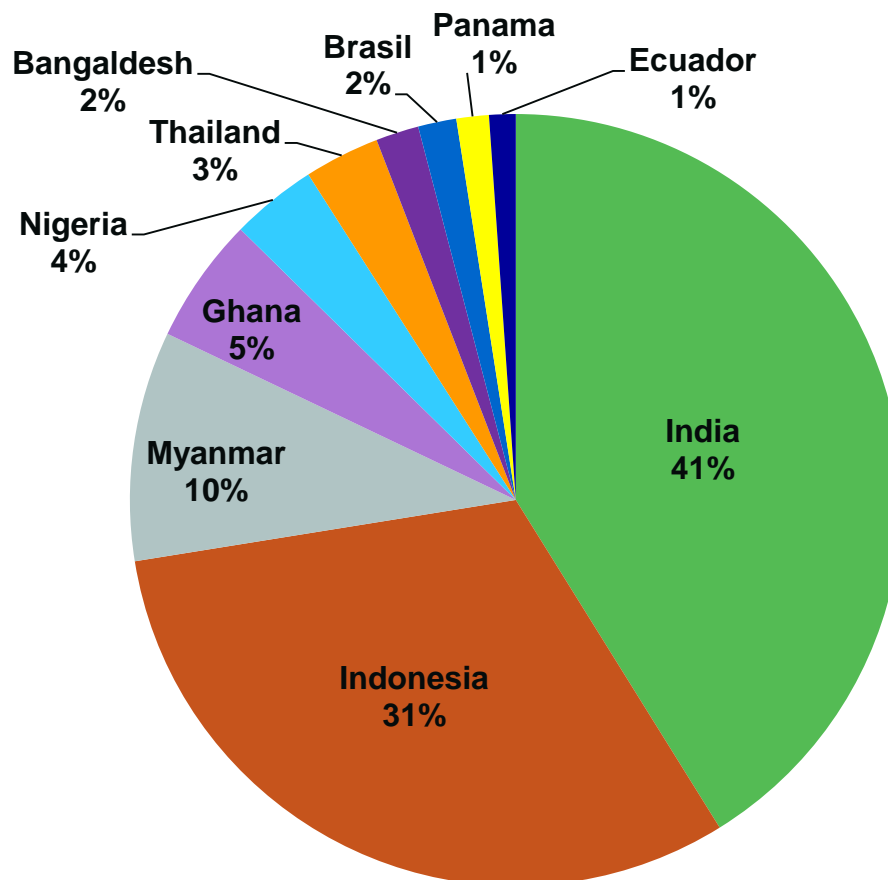


▲ Natural Distribution – 4 countries (29.035 million ha)

▲ Introductions – 70 countries (4.346 million ha)

# Planted Teak - Global

Planted Teak distribution in 10 major countries



About 77% of the planted teak forests fell within the age class from 0 – 20 years. Another 17% - 21 to 40 yrs

# Industrial round wood production

Total tropical Industrial round wood production in ITTO producer countries is about 235.8 million m<sup>3</sup>, and Asia Pacific region produced 69%.

*(ITTO Biennial Review 2013-14)*

Asia-Pacific region will have a high deficit between production and consumption to about 63 million m<sup>3</sup> by 2030.

The demand for wood products is likely to continue to increase globally (FRA, 2015).

The estimated market share of teak logs < 2% of total tropical round wood production



# Teak market & Price trends

Teak prices are very closely related to wood quality.

The amount of quality teak available on the world market declined as a result of log export ban by Myanmar from 1<sup>st</sup> April 2014.

The price rise was 3% to 4.5 % per year on average since 2005



**Natural teak for export in Myanmar**

# Emerging Teak Round Wood Exporters

- **Africa** : Ghana, Ivory Coast, Benin, Togo, Nigeria
- **Latin America** : Ecuador, Costa Rica, Panama, Colombia, Brasil



Planted teak (20-25 yrs) for export in Ecuador

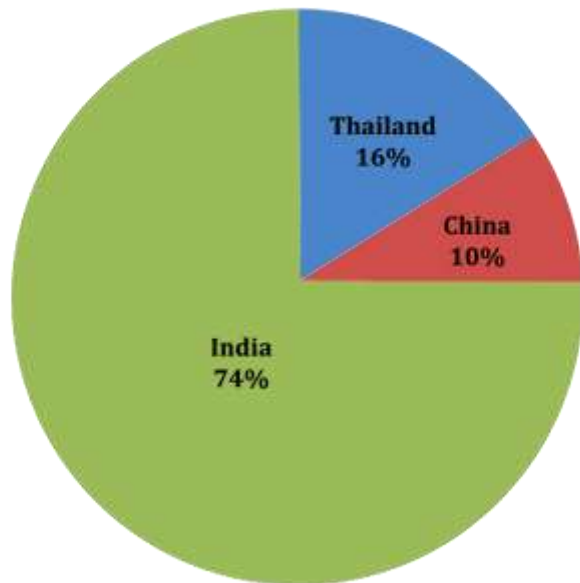


Planted teak from Ghana

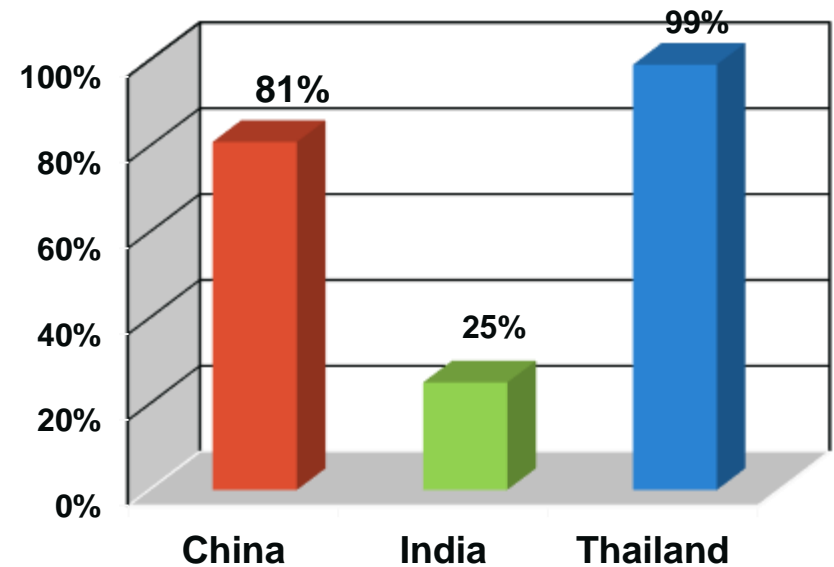
# Global Trade & Volume

**Global teak trade** of round wood about 1 million m<sup>3</sup>/yr (2005-14) was dominated by 3 major importing countries

**Major Teak Importing Countries**



Share of teak import from **Myanmar**



**The trade volume doubled 3 to 4 times since 2000**



# Demand & Supply

The global demand for teak is expected to grow and will continue to be governed by trends in the Asian markets.

At the current average price of 600-1000 USD/m<sup>3</sup> for high quality logs and 350-750 USD/m<sup>3</sup> for small dimensional plantation logs of 20-25 yrs, teak is already one of the expensive hardwoods in the world timber market.

The immediate log export ban by Myanmar triggered a rapid increase in demand for high quality logs coupled with sharp increase in price upto 2000 USD/m<sup>3</sup> at the end of 2014.

# Future belongs to Teak Plantations

- ❖ World's supply of teakwood will depend on tropical teak plantations in future.
- ❖ The yield can be realized in short rotations of 20-25 yrs.
- ❖ The quality of plantation teak has improved where good management practices are followed.
- ❖ Increase in the price of teak is the major attraction in investment of teak plantations.
- ❖ Besides plantations, smallholders wood lots (ToF) with teak also contribute to the economic benefit and sustainability of rural populations.
- ❖ Globally, planted teak is the only emerging hardwood resource that is increasing in terms of area.

- Production of genetically improved quality planting stock is a prerequisite for increased productivity of teak plantations.
- The natural teak gene pool should be protected from depletion for future tree breeding programmes.
- TEAKNET is joining hands with IUFRO and FAO and initiated a Global Teak Support Programme for genetic conservation of teak.



Superior clones  
developed in KFRI  
now under field trial



*Thank you*