

# Global Timber and Wood Products Market Update

- a news brief from Wood Resources International LLC

## **Log and lumber imports to China were down 19% during first eight months of 2012, y-o-y, with the biggest declines seen of logs imported from Russia and the US, reports the Wood Resource Quarterly**

*Importation of both logs and lumber to China fell substantially in 2012, reports the Wood Resource Quarterly. Total imports, by value, during the first eight months was 4.3 billion dollars, or 19% less than in 2011, with the biggest declines in logs imported from Russia and the US, and in lumber from North America.*

**Seattle, USA.** The reduction in construction activities in China during 2012 has resulted in reduced demand for lumber, and as a consequence, a sharp decline in the importation of softwood logs and lumber to the country. During the first eight months this year, China imported logs and lumber worth 4.3 billion dollars, or 19 percent less than the same period last year, as reported in the Wood Resource Quarterly ([www.woodprices.com](http://www.woodprices.com)). By volume, log imports were down 17 percent and lumber imports down five percent.

The importation of softwood lumber in August was down for the third consecutive quarter to 1.1 million m<sup>3</sup>, which was a decline of 21 percent from May and 23 percent lower than in August 2011. Canada and Russia are the two dominant suppliers of softwood lumber to China, together accounting for 84 percent of the total imports, with the US, Chile and New Zealand making up most of the remaining import volume.

During the first eight months of this year, Russia, Chile and New Zealand have increased their shipments to China, while volumes from North America have declined. Exports from the US are down as much as 41 percent as compared to the same period in 2011.

In August, the average import value for all softwood lumber imported to China was down nine dollars to \$203/m<sup>3</sup> from a year ago, according to Customs data. The cost for Russian lumber fell as much as \$19/m<sup>3</sup>, while Canadian average costs were down only five dollars to \$200/m<sup>3</sup> over the past year. Costs for Canadian lumber have steadily increased from earlier this year and here at a 12 month-high in August.

Chinese softwood log imports have fallen dramatically this year. From January through August, imports from Russia were down 21 percent, and from the US, 31 percent as compared to the same period in 2011. The two other major log-supplying countries, New Zealand and Canada, have shipped practically the same volume this year as last year.

With the reduced demand for logs by the lumber industry in China, log prices have fallen through most of 2012. According to the latest issue of the WRQ, average import softwood log values in the 3Q/12 were down 13 percent from a year ago, and domestic Chinese-fir log prices have fallen about six percent in 12 months.

*Global timber, pulpwood and biomass market reporting is included in the 52-page quarterly publication Wood Resource Quarterly (WRQ). The report, established in 1988 and with subscribers in over 25 countries, tracks sawlog, pulpwood, lumber and pellet prices and market developments in most key regions around the world. **To subscribe to the WRQ, please go to [www.woodprices.com](http://www.woodprices.com)***

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