

Global Timber and Wood Products Market Update

- a news brief from Wood Resources International LLC

Global trade of softwood lumber was up seven percent in the first six months of 2014, with Russia, Germany and Sweden increasing shipments the most, reports the Wood Resource Quarterly

Higher demand for wood products following the global recession has resulted in a steadily increasing trade in softwood lumber the past five years, reports the Wood Resource Quarterly. Global shipments in the first half of 2014 were up seven percent as compared to the same period in 2013.

Seattle, USA. Demand for softwood lumber has been steadily increasing on a worldwide basis since the great recession. The higher consumption of lumber has resulted in a rise in the global trade of lumber with shipments in 2014 on pace to be the highest since 2006 and 36% higher than five years ago, which was the bottom of the decline in lumber trade, reports the Wood Resource Quarterly (WRQ).

About two-thirds of the world's lumber production is consumed domestically, while the remaining third is traded internationally, either to countries that consume large volumes of wood products such as the US, China and Japan, or to countries with limited domestic forest resources, including Egypt, Italy, the United Kingdom and the Netherlands.

During the first half of 2014, global lumber trade was seven percent higher than during the same period in 2013. Most major exporting countries have shipped more lumber this year than last year, with only New Zealand bucking that trend.

Russian exporting sawmills have ramped up production to record levels this year and the export volumes are up almost 15% as compared to the same period last year. Much of the rise in shipments has been to China, Egypt and the CIS countries. Lumber producers in both Sweden and Germany have also shipped more lumber in the 1H/14 than they did in the 1H/13. Export volumes for these two countries may in fact reach their highest levels in at least seven years if lumber demand in particularly Egypt, China and countries in Western Europe continues to stay strong.

Lumber importation volumes to China, the largest softwood lumber importer in the world, have zigzagged their way upward so far this year, starting from as low as 1.1 million m³ in February and reaching the highest monthly import volume on record in July, according to the WRQ (www.woodprices.com). Russia and Canada are still the two dominating suppliers, accounting for 77% of the total import volume. This share was unchanged from 2013. Other supplying countries, including Chile, the US and Sweden continue to keep about the same share of the market this year as they did in 2013.

Global pulpwood and timber market reporting is included in the 52-page quarterly publication Wood Resource Quarterly (WRQ). The report, which was established in 1988 and has

*subscribers in over 30 countries, tracks sawlog, pulpwood, lumber and pellet prices, trade and market developments in most key regions around the world. **To subscribe to the WRQ**, please go to www.woodprices.com*

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