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Global Timber and Wood Products Market Update

- a news brief from Wood Resources International LLC

China imported logs and lumber for a record nine billion dollars in 2013, with North America, Russia and New Zealand being the major suppliers, reports the Wood Resource Quarterly

Importation of logs and lumber to China reached a new record in 2013 with lumber imports being up 19% and log imports increasing 23% from 2012, as reported in the Wood Resource Quarterly. North America, Russia and New Zealand were the major supplying countries, but Sweden, Finland, Ukraine, Chile and Australia saw the biggest increases in market share.

Seattle, USA. China's importation of softwood lumber was 19 percent higher in 2013 than in 2012, reaching a new record high. The unprecedented increase in lumber shipments to the Chinese market that began in 2008 is continuing. In 2008, the country imported 3.6 million m³ of softwood lumber valued at 700 million dollars, according to the Wood Resource Quarterly (WRQ). Two years later, in 2010, the volume had increased to 9.4 million m³ and in 2013, China imported close to 17 million m³ of lumber, valued at a bit over 3.6 billion dollars.

Canada and Russia are the two major suppliers of lumber to China, with Canada having overtaken Russia as the largest supplier in 2010. Together, these two countries supplied almost 80 percent of all imports. However, this year Europe, Russia, Chile and New Zealand have all increased their shipments to China at a higher pace than has Canada. Sweden, for example, more than tripled its export volume from 2012 to 2013 to reach 370,000 m³, or just over two percent of the import volume last year.

This trend, where countries that just a few years ago were virtually non-existent in the Chinese market are now expanding is likely to continue in the coming years both because China's continued hunger for more wood and because Canada is not likely to increase exports much more than the levels seen over the past few years.

Importation of softwood logs to China really took off during the second half of 2013. In the 1H/13, import volumes were about 14.8 million m³, and in the 2H/13, China imported 18.1 million m³, an increase of 23 percent in just six months, making 2013 a record year for Chinese log imports. The total value of imported logs reached just over five billion dollars. During the past year, all major log suppliers to China increased their shipments except Russia, which in 2013 shipped the lowest volume since 2004. New Zealand shipments were up by 32% year-over-year, the US increased volumes by 55% and interestingly, Ukraine, which just a few years ago did not export any logs to China, shipped 1.4 million m³ in 2013, a tripling from the previous year, as reported in the WRQ (www.woodprices.com).

With record shipments of logs and lumber from North America to China during 2013, it will be very interesting to see if Chinese wood buyers can continue to increase their imports from the US and Canada in 2014 and 2015 when demand for lumber is likely to go up in the US market.

Global pulpwood and timber market reporting is included in the 52--page quarterly publication Wood Resource Quarterly (WRQ). The report, established in 1988 and with subscribers in over 30 countries, tracks sawlog, pulpwood, lumber and pellet prices, trade and market developments in most key regions around the world.



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