



## Global Timber and Wood Products Market Update

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Softwood lumber prices (in US \$) have fallen throughout a majority of the main markets in the world during the 2Q/15 because of weaker demand, ample supply throughout the distribution chain and a strengthening US dollar. The biggest declines have occurred in the US, Canada and the Nordic countries, while the drop in import prices to China and Japan has been more modest. The following is an excerpt from the Global Lumber Market Update from the most recent issue of the Wood Resource Quarterly:

### North America

Lumber production in the US was slightly higher in the 2Q/15 than in the previous quarter. There is much uncertainty going into the fall with both the US housing construction and lumber demand in China losing some steam. The weaker lumber demand pushed prices in both the US and Canada lower during the summer months.

### Northern Europe

Finland and Sweden increased export volumes during the first five months of 2015 by 1.5% and 4.6%, respectively, as compared to the same period in 2014. Although the good news for lumber producers has been higher export volumes so far in 2015, the bad news has been that the average export price for softwood lumber has declined.

### Russia

Russian lumber export prices have fallen substantially since last summer. The price decline has been less in wood shipped to China than that exported to Japan, Egypt and countries in the CIS countries, including Azerbaijan, Uzbekistan and Tajikistan. Despite substantially lower export prices, shipments have not seen a substantial increase. Export volumes in the 2Q/15 were less than three percent higher than in the 2Q/14.

### Japan

Housing starts in Japan have slowed in 2015 and demand for lumber has declined. As a consequence, domestic sawmills have reduced production by about eight percent so far this year, and import volumes are down 11%. Both domestic and import prices for softwood lumber moved slightly lower during the summer months and were close to their lowest levels in over seven years.



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**China**

Importation volumes of lumber to China have gone through some dramatic ups-and-downs this spring with February volumes falling to a two-year low, followed by an alltime high in April. Since the peak, foreign-sourced lumber has declined and was 14% lower in July 2015 than during the same month in 2014. Average import prices have been in steady decline since late 2014 and are currently at their lowest levels in three years.

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