

Press release – For Immediate Release

Seattle, USA. June 6, 2008

Global trade of woody biomass has almost doubled in five years

With the increasing demand for woody biomass, global trade of particularly wood pellets has gone up substantially the past few years as reported in the latest issue of the Wood Resource Quarterly. Global trade of wood pellets reached over three million tons in 2007.

One of the most interesting developments in global commerce of wood raw-material in recent years has been the substantial increase in the trade of wood for energy generation. Much of the increase in shipments is the result of policies implemented by European governments to generate more green energy based on renewable resources as a substitute for fossil fuels. Bi-products from sawmills have historically been the most commonly used wood fiber source for energy generation but because of higher demand for renewable energy and increasing costs for fossil fuels, it has increasingly become possible for power plants to also utilize higher-cost forest waste such as tree tops, branches and smaller trees.

Global trade of woody biomass was just over 11 million tons in 2007, up from 5.6 million tons in 2003 (included in this category is wood for energy and a smaller share of sawmill bi-products used for the manufacturing of wood panels). The major trade flows have been within the European continent and between Canada and Western European countries. Trade of wood pellets, which account for a large share of biomass trade, reached a record of over three million tons in 2007.

The largest exporter of biomass in 2007 was Germany, which exported 1.4 million tons to neighboring Austria, the Netherlands, Belgium and Italy. Canada exported 1.3 million tons of which an estimated 600,000 tons were wood pellets for the European market. Most of the overseas volume was shipped from British Columbia to Belgium, the Netherlands and Sweden, this despite the seemingly prohibitively costly 15,000-kilometer journey from the Interior of British Columbia to the European market. This situation can be explained by the currently low costs for raw-material (shavings and sawdust) in Canada and the high prices for wood pellets in Europe.

The rapid expansion in global trade of biomass is likely to continue over the next 3-5 years as more countries are favoring renewable energy and local, relatively-inexpensive supplies of biomass are reaching their limits. The question is: how long will the expansion of the overseas water-born transportation continue to grow, considering the high costs of oil and the paradox of consuming large quantities of low-refined heavy fuel oils for the shipments of green energy to European customers.

Global pulpwood and sawlog market updates are included in the 50-page publication Wood Resource Quarterly. The report, established in 1988 and with readers in over 20

countries, tracks wood prices in most regions around the world and also includes regular updates of international pulp, lumber and biomass markets.

Contact Information

Wood Resources International

Hakan Ekstrom

info@wri-ltd.com

www.woodprices.com