

Global Timber and Wood Products Market Update

- a news brief from Wood Resources International LLC

Importation of logs and lumber to China were up over ten percent the first four months of 2013 after a reduction in wood demand during 2012, reports the Wood Resource Quarterly

Chinese demand for lumber and logs has had a resurgence, with importation during the first four months of 2013 being over ten percent higher than the same period in 2012, report the Wood Resource Quarterly. The total value of North American imports was up 30 percent from 2012.

Seattle, USA. China's hunger for wood was less acute in 2012 than in the previous year. In particular, importation of softwood logs fell substantially from the record levels of 2011. Importation of lumber was also lower in 2012, but the decline was much less than that of logs. The biggest changes in log and lumber imports between 2011 and 2012 were the sharp decline of Russian log volumes crossing the Chinese border and the reduced lumber shipments from the US to Chinese ports, as reported in the Wood Resource Quarterly. During the first four months of 2013, import volumes of both logs and lumber picked up and were 12 percent and 19 percent higher, respectively, than in the 1Q/12.

The housing sector, a major consumer of imported lumber, has been strong in early 2013, and prices for new houses in 70 cities rose on average by over four percent in April, up from 3.1 percent in March, 2013, according to national statistics. So far this year, the housing construction sector has outperformed better than the manufacturing, trade, investment and personal consumption sectors.

North America is a major supplier of softwood products to China, with the market share for lumber and logs in the 1Q/13, accounting for 51% and 23%, respectively. In 2012, Canada and the US exported logs and lumber valued at just over three billion dollars, which was down 23 percent from 2011. During the first four months of this year, the import value for softwood logs and lumber from North America totaled \$940 million billion dollars, an increase of over 30 percent from the same period in 2012.

New Zealand's log-exporting companies continue to expand their presence in China. In 2012, New Zealand was the only country that expanded shipments when total Chinese log imports fell by 15 percent. Russia has for many years been the major log supplier to China, but in the 1Q/13, Russia and New Zealand both had a market share of close to 33 percent after year-over-year shipments were up almost 50 percent from New Zealand and down by 18 percent from Russia, reports the Wood Resource Quarterly.

The biggest change in the Chinese buyers' sourcing of lumber has been the doubling of importation from Chile and the almost tripling in shipments from Sweden and Finland. Although these three countries still account for less than ten percent of all imports, it is likely that their presence in China will expand in the coming years.

*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 25 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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