Global Timber and Wood Products Market Update

- a news brief from Wood Resources International LLC

Timber harvests and log consumption have been shifting from west to east in Central Europe with Germany becoming a net importer of logs, reports the Wood Resource Quarterly

Timber harvests, wood consumption, log trade and sawlog prices in Central Europe have seen substantial change during the past 10 years with a shift in log production and consumption from western regions to countries in the east, as reported in the Wood Resource Quarterly. These developments have resulted in changes in log flows and a trend towards equalized sawlog prices in the region.

Seattle, USA. Harvests of timber in Europe have remained practically unchanged for three years at around 370 million m3 annually, according to the UNECE. A closer look at the timber harvest trends for Central Europe the past ten years reveals the interesting development that the average annual harvests in the "Central West" region (Austria, Germany, Italy and Switzerland) were 15 % higher in the five years between 2003 through 2007 than between 2008 and 2012. During the same period, the timber removals in the "Central East" region (Bosnia-Herzegovina, Croatia, Czech Republic, Hungary, Poland, Serbia, Slovakia and Slovenia) increased four percent, and this region now harvests more than the "Central West", a reversal from the historical position when more timber was removed in the western countries, according to the Wood Resource Quarterly (www.woodprices.com).

Not only has log production fallen in the "Central West" region the past five years, but so has log consumption by the forest industry, which was down on average nine percent during the 2008-2012 period as compared to 2003-2007. In the "Central East", log consumption fell only two percent during the same time period.

The log trade flow in Central Europe has changed the past decade with the "Central West" region having become a larger net importer of logs the past five years as compared to the previous five-year period, and the "Central East" region exporting more logs the past few years than prior to this time. The biggest change occurred in Germany, which traditionally had been a net exporter of logs, but became a net importer in 2009. During the first five months of 2013, Germany was a net importer of two million m3 of softwood logs, which can be compared to net exportation of 1.6 million m3 just five years ago.

Sawlog prices in Germany and the neighboring Czech Republic have followed each other fairly closely the past 15 years, however at different levels, according to the WRQ. In the 1990's, average sawlog prices in the Czech Republic were approximately 60% of the German prices, while during the past few years this level has reached 80%.

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. ***To subscribe to the WRQ, please go to www.woodprices.com***

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