

Global Timber and Wood Products Market Update

- a news brief from Wood Resources International LLC

Log imports to China from New Zealand and the US were up 26 percent in the second half of 2012 from the 1H/12, and Chinese log prices reached new record highs, reports the Wood Resource Quarterly

Log imports to China were off to a slow start in 2012 but in the second half of the year, shipments picked up with New Zealand and the US gaining the biggest market shares, reports the Wood Resource Quarterly. The Chinese domestic log market also heated up, with log prices reaching record high levels.

Seattle, USA. Demand for imported softwood logs in China increased in the second half of 2012 after declining during the first six months of the year. Total imports in the 2H/12 were up nine percent, but the increase was not equally distributed between supplying countries. Shipments from New Zealand and the US were up 29 percent and 20 percent, respectively, while Russian exports to China fell nine percent in the 2H/12 as compared to the 1H/12, reports in the Wood Resource Quarterly (www.woodprices.com).

Log imports for the full year were down 15 percent from 2011, which was the first year-over-year decline since 2008. From 2008 to 2011, China's imports increased by as much as 70 percent to a record 30 million m³ in 2011. Despite the decline in 2012, the total import volume was still the second highest on record. And for the month of December, there have never been more logs unloaded in Chinese ports than in the December of 2012.

The most dramatic shift in log supply sources for China over the past few years has been the diminished exports from Russia and the sharp increase in log volumes entering from New Zealand. Just five years ago, China imported as much as 21 million m³ of softwood logs from Russia and only 1.2 million m³ from New Zealand. In the second half of 2012, the two countries shipped about 4.8 million m³ each.

The average import value of New Zealand Radiata pine in the 4Q/12 was up a few dollars from the previous quarter, reaching the highest level seen since 3Q/11, while the average value for most other species remained unchanged in the last quarter of 2012.

Domestic log prices in China on the other hand, continued their upward trend with Chinese fir log prices being up 13 percent from 4Q/11 to 4Q/12 to reach an all-time high, according to the WRQ. Prices for other commonly used species such as Mongolian pine, larch, poplar and birch were also at record high levels during the 4Q/12.

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*Global timber, pulpwood and biomass 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 and reports on market developments in most key regions around the world. **To subscribe to the WRQ, please go to www.woodprices.com***

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