

Global Timber and Wood Products Market Update

- a news brief from Wood Resources International LLC

China importation of lumber and logs roars back to new highs in the 2Q/13, with imports up 30 % year-over-year, reports the Wood Resource Quarterly

Increased investments in the housing sector resulted in record imports of logs and lumber to China in the 2Q/13, reports the Wood Resource Quarterly. Lumber importation has grown faster than that of logs, with Russia and Canada being the major lumber suppliers in recent years. New Zealand has become the major supplier of logs, overtaking Russia, who has long dominated this market.

Seattle, USA. After a decline in importation of logs and lumber into China in 2012 and early 2013, the country came back roaring in the 2Q/13 with the import value increasing by more than 30 % year-over-year, as reported in the Wood Resource Quarterly (www.woodprices.com). The total value of imported softwood logs and lumber was over 2.2 billion dollars in the 2Q/13, an increase by almost \$600 million from the previous quarter.

The higher demand for wood products comes as house-building activities have increased in the first half of 2013 as compared to the same period in 2012. Year-over-year, investments were up 13 % in residential buildings, and 23 % in commercial buildings, according to recently published official Chinese statistics.

During the past few years, importation of lumber has grown at a faster pace than that of log imports with the share of lumber of the total import value having gone up from 35 % in 2010 to 42 % in the 2Q/13. The import volumes has almost tripled in four years with Russia and Canada having been the two major suppliers of softwood lumber, together accounting for almost 80% of all lumber imported to China in the 2Q/13. European sawmills have not had a major presence in the Chinese wood market but this is changing. In June of this year, European shipments accounted for over eight percent of the total lumber imports to China. It can be expected that more containers of lumber will find their way from Europe to China in the coming years.

The Chinese log import market, which once was completely dominated by Russia, has evolved the past four years to a more diversified group of supplying countries, as reported in the Wood Resource Quarterly. New Zealand has become the largest softwood log supplier to China, Russia's presence has diminished, and the US and Canada currently supply 25 % of all logs imported to China. Russia's log exports to China are likely to continue to decline, but there will likely be opportunities for Russian sawmills to increase their shipments in the future.

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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