

# Global Timber and Wood Products Market Update

*- a news brief from Wood Resources International LLC*

## **Softwood lumber prices have trended downward in the US, Russia and Japan this fall, while they have gone up in China and the Nordic countries, reports the Wood Resource Quarterly**

*Prices for softwood lumber imported to China increased this fall, while they fell in Japan as the housing market weakened. In the US, lumber prices were moving downward in the 3Q, while still being close to their highest levels in ten years, reports the Wood Resource Quarterly. In the Nordic countries and Russia, lumber exports have increased because of higher demand for wood in key markets in Europe and the MENA countries.*

**Seattle, USA.** Demand for softwood lumber has been steadily increasing on a worldwide basis since the great recession. The higher consumption of lumber has resulted in a rise in the global trade of lumber with shipments in 2014 on pace to be the highest since 2007, according to the Wood Resource Quarterly (WRQ). Following is a brief excerpt from the newly released WRQ regarding of the developments in key markets during the fall of 2014:

### Lumber market – the US

After lumber prices peaked in the US in the late summer, prices have trended downward during the fall and November prices were about ten percent below those in August with the biggest decline in prices being for southern yellow pine. The Random Lengths Price Index, a composite of 15 common lumber grades in North America, has also fallen this autumn. Despite the recent decline, the Index is nearing higher levels than we have seen in over ten years.

### Lumber market – Northern Europe

Lumber prices in both Sweden and Finland have been trending upward since early 2012, and in the 3Q/14 they were at their highest levels in 3 1/2 years. Swedish lumber exports have increased by as much as seven percent over the first eight months of the year and total lumber shipments in 2014 are projected to be at their highest level since 2008. The markets in Egypt, the United Kingdom and Denmark in particular have grown this year.

### Lumber market – Russia

Benefiting from a weakening currency, Russian lumber exporters have increased export volumes during the summer and fall this year with the 3Q/14 shipments reaching a record high. The biggest increase in exports has been to China, the largest market for Russian lumber, where the shipments for the first nine months this year were 11% higher than the same period last year. The average value for lumber exported during the 2Q/14 and 3Q/14 has fell slightly.

### Lumber market - Japan

The housing market in Japan took a hit this year when the economy was impacted by the

increase in the country's sales tax in April. The reduced activity in the construction sector has impacted demand for lumber, with domestic lumber production falling and lumber import volumes declining 16%. Prices for both domestic and imported lumber have declined this fall compared to the first half of the year.

#### Lumber market – China

Despite the reduction in house sales, China has increased the importation of softwood lumber by five percent during the first nine months of this year as compared to the same period in 2013, reports the WRQ ([www.woodprices.com](http://www.woodprices.com)). The 3Q/14 import volume was actually the second highest quarterly import volume on record. The average import prices for softwood lumber have trended upward for almost five years and were close to record highs in the 3Q/14.

*Global lumber, sawlog and pulpwood market reporting is included in the 52-page quarterly publication Wood Resource Quarterly (WRQ). The report, which was established in 1988 and has 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](http://www.woodprices.com)***

#### **Contact Information**

Wood Resources International LLC

Hakan Ekstrom

Seattle, USA

[info@wri-ltd.com](mailto:info@wri-ltd.com)

[www.woodprices.com](http://www.woodprices.com)