

# Global Timber and Wood Products Market Update

*- a news brief from Wood Resources International LLC*

## **Softwood log imports to China slowed in the 4Q/14, but 2014 was still a record year with the import value surpassing 5.4 billion dollars, reports the Wood Resource Quarterly**

*China is the largest importer of logs in the world and although the log shipments to the country slowed in the 4Q of last year, import volumes hit a record high in 2014, reports the Wood Resource Quarterly. The import cost of softwood logs in the 4Q/14 was seven percent below the prices seen in the 4Q/13, with the costs for logs from New Zealand and the US having fallen the most.*

**Seattle, USA.** China continued to dominate global log trade and was setting a new record high in the consumption of imported softwood logs in 2014. The seemingly endless increase in demand for wood raw-materials from the manufacturers of wood products in China has resulted in year-over-year import increases in eight of the past ten years. The total value of the imported logs has surged from 2.2 billion dollars in 2009 to 5.4 billion dollars in 2014, according to the Wood Resource Quarterly.

Over the past five years there has been close to a doubling of the log volume being unloaded at Chinese ports with a majority originating from three countries; New Zealand, Russia and the US. The biggest change in the past five years has been that the group of supplying countries has expanded. In 2009, the logs from the “big three” accounted for 93% of all softwood logs imported to China. In 2014, this share was down to 76% with log sellers in Canada, Australia and Ukraine having increased their presence in the world’s largest log import market. Australia alone shipped almost 2.2 million m3 in 2014 as compared to 1.1 million m3 in 2011.

Because of high log inventory and lower demand for wood in China, the country reduced its log imports towards the end of 2014, with import volumes in the 4Q/14 reaching their lowest levels in almost two years, report the WRQ. The biggest year-over-year declines were seen in the importation of logs from New Zealand and the US, while import volumes from Russia have been fairly stable the past three years.

Not only have the log volumes arriving to China declined this fall, so have the costs of the imported logs, which were seven percent lower in the 4Q/14 as compared to the same quarter in 2013. Prices for radiata pine from New Zealand and hemlock from the US fell more than ten percent year-over-year, while Russian log prices remained practically unchanged. Russia, New Zealand and Australia continue to be the low-cost softwood log suppliers to China.

*Global timber, 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,***

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