

# Global Timber and Wood Products Market Update

- a news brief from Wood Resources International LLC

## Softwood lumber prices fell towards the end of 2014 in the US, Japan and the Nordic countries, while import prices to China remained unchanged from earlier in the year, reports the Wood Resource Quarterly

*Softwood lumber exports were 5-8% higher in Canada, Russia and the Nordic countries in 2014 compared to 2013, reports the Wood Resource Quarterly. Prices for lumber trended down over the course of the year, mainly because of the strengthening US dollar and weaker wood markets in Europe and Asia.*

**Seattle, USA.** Global trade of softwood lumber has continued to trend upward ever since the global financial crises in 2008. In 2014, export volumes were up 5-8 percent for a majority of the largest lumber-exporting countries in the world, including Canada, Russia, Finland, Sweden and Germany, according to the Wood Resource Quarterly (WRQ). Of the top fifteen exporting countries, only Austria, the US, New Zealand and the Czech Republic reduced their export volumes in 2014 as compared to the previous year.

### Lumber market update – North America

Lumber consumption in the US increased 6.9% in 2014 as compared the previous year, according to WWPA. This increase came because of a rise in consumer confidence and an improved housing market. Higher demand for lumber resulted in increases in lumber production in the Western and Southern states, while sawmills in British Columbia reduced production in 2014.

In the US, lumber prices have gone through some ups-and-downs the past two years with southern yellow pine prices having fluctuated between \$198/m<sup>3</sup> (actual size) and \$284/m<sup>3</sup> over the period. Prices averaged around \$250/m<sup>3</sup> in February, 2015.

### Lumber market update – Northern Europe

Lumber prices declined during much of the fall of 2014 in both Sweden and Finland because of the weakening of the export market during the second half of the year. Despite the reduced demand from the foreign markets, the sawmill sectors in the Nordic countries did not cut back production as much as needed to keep the prices at the high levels reached in the first half of the year. As a consequence of a surplus of lumber in the market, prices fell about 13% during the fall.

### Lumber market update - Japan

The higher sales tax that was implemented in the spring of 2014 in Japan had a major impact on consumer spending, including the investments in new housing. The wooden housing starts were down 11 percent in 2014 from 2013. Lower demand for lumber impacted both lumber production in Japan and the importation of wood products in 2014, as reported in the WRQ ([www.woodprices.com](http://www.woodprices.com)). With the reduced demand and weaker

Yen, lumber prices in US dollar terms fell quite substantially during 2014.

#### Lumber market update – China

The demand for lumber in China weakened during the second half of 2014 with import volumes of softwood lumber in the last quarter of the year falling nine percent from the 3Q/14 and six percent from the same quarter in 2013. The average import price for softwood lumber stayed fairly flat for most of the summer and fall of 2014.

*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)***

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