

# Global Timber and Wood Products Market Update

*- a news brief from Wood Resources International LLC*

## **The import value of logs and lumber to China has fallen by 25% in 12 months because of declining housing constructions, reports the Wood Resource Quarterly**

*The reduction in house construction in China has resulted in a substantial decline in the importation of forest products during 2015, reports the Wood Resource Quarterly. The total value of imported softwood logs and lumber has fallen 25% and import prices have declined almost 30% that past 12 months.*

**Seattle, USA.** China imported softwood logs and lumber valued at 498 million dollars during the month of November in 2015. This was 26% lower than the same month in 2014 and the third lowest monthly level in three years. As recently as April 2014, the import value was at an all-time high of almost 900 million dollars, reports the Wood Resource Quarterly (WRQ).

The reduced demand for both overseas and domestic wood products in 2015 has been a consequence of the slowdown in the Chinese economy, which has not only reduced construction activities but also consumer spending on home remodeling and furniture.

Not only have log and lumber imports plummeted the past year, but so has the price paid for imported products. In November 2015, the average costs of imported softwood logs were down 30% from their peak in April of 2014 to reach their lowest level since early 2009. The biggest price drops during 2015 were for logs from New Zealand, Australia and Russia. According to the WRQ (woodprices.com), domestic log prices have fallen much less than import prices during 2015, with Chinese fir sawlog prices declining less than six percent from the 1Q/15 to the 4Q/15.

Lumber import prices to China have also fallen during 2014 and 2015, but the decline has been slightly lower than for that of logs. In November of 2015, average lumber import prices were 27% lower than their peak in September 2014. The biggest price declines have been for lumber imported from Canada, Sweden, Chile and Russia, while the price fall for hemlock and Douglas-fir from the US has been quite moderate.

It is interesting to note that the Swedish and Finnish sawmills, which are selling into the high-end market in China, actually increased their shipments to China during 2015 as compared to 2014. This is in contrast to the US, Canada and Chile, which reduced their sales to China in 2015 by over 20%. The market share for the Nordic sawmills in November 2015 was almost nine percent of the total import value as compared to less than seven percent in November 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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