

# Global Timber and Wood Products Market Update

- a news brief from Wood Resources International LLC

## Log imports to China reached another record high in 2018, with New Zealand supplying 44% of the volume, reports the Wood Resource Quarterly

*China is continuously exploring new sources of softwood logs around the world. Minor log exporters, such as Japan, Poland, Chile and South Africa all expanded their shipments to China in 2018, reports the WRQ. Of the major log supplying countries, only Russia and Canada reduced their exports to China, while New Zealand, the US and Uruguay all increased their shipments year-over-year.*

**Seattle, USA.** China had another record year of softwood log imports in 2018, when over 40 million m<sup>3</sup> of logs landed at Chinese ports. This was the third consecutive year of year-over-year increases, with 2018 volumes being up 37% from 2015. Although import volumes fell slightly from the 3Q/18 to the 4Q/18, the December numbers were the second highest monthly imports on record.

Over the past five years, import volumes have declined from the key supplying regions of Russia and Canada, while they have increased from New Zealand and Australia. New Zealand continues to expand its market share, supplying 44% of the total import volume in the 4Q/18, up from 30% just three years earlier, according to the Wood Resource Quarterly (WRQ). The biggest decline in market share has been that of Russia, which has fallen from 36% to 18% in the past three years. The only other major change the past few years has been an increase in pine log shipments from Uruguay. These have increased from just a few thousand m<sup>3</sup> in 2016 to almost 2.5 million m<sup>3</sup> in 2018, making the country the fifth largest log supplier to China last year.

The average log import price fell three percent from the 3Q/18 to the 4Q/18, mainly because of lower costs for logs originating from New Zealand and the US. The total average import price has gone up for three consecutive years. Although the prices have trended upward over the past few years, they are still lower than import prices in 2013 and 2014, when high-cost suppliers in the US and Canada had a larger market share.

Another interesting development is that Japan, the sixth largest softwood log importer in the world, has almost tripled log exports to China over the past few years, from just over 300,000 m<sup>3</sup> in 2014 to almost a million m<sup>3</sup> in 2018. Other smaller log supplying countries that have increased shipments to China in 2018 include Poland, Chile, South Africa and

Germany.

*Global lumber, sawlog and pulpwood market reporting is included in the 56-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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