



Wood Resources  
International

## WRI Market Insights 2020

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### **Global Forest Products Trade**

#### **The Coronavirus Has Not Stopped the Global Trade of Forest Products**

The Coronavirus Epidemic has negatively impacted the supply chains for numerous industry sectors worldwide the past few months.

Many commodity products saw reduced trade during March and April, a result of reduced demand, closures of manufacturing facilities to protect workers, constraint in the handling capacity of goods at many ports, and widespread financial distress. However, one sector that has remained fairly strong during the initial period of the epidemic is the forest products industry.

Demand for toilet paper, face masks, disinfecting wipes, corrugated paper for cardboard boxes, and wood products for home renovations are just a few forest products that have been in unusually high demand in many countries during this spring.

A closer look at the March 2020 trade data, the first “Coronavirus month”, reveals that global trade of lumber, logs, wood chips and pulp increased in March as compared to the previous month.

The following snapshot illustrates a few interesting examples from the WRQ of positive developments in the forest industry sector from February to March this year:

- **Softwood Logs** – China increased imports by 14% m-o-m, with most of the added logs originating from New Zealand, Germany and Russia. Log imports to South Korea rose 19%, while Australia and Canada shipped about 70% more logs in March than in the previous month.
- **Softwood Lumber** – Lumber shipments from New Zealand and Canada were up 32% and 25% m-o-m, respectively. Lumber importation was up in most of the major markets in March, including China (+59% m-o-m), the US (+27%), the United Kingdom (+13%), and Japan (+10%).

- **Wood Pulp** – Three of the four largest pulp-exporting countries, Brazil, the US and Chile, increased their shipments between 12% and 26% in March (m-o-m). The five top importing countries all purchased more pulp in March than in February, with China and South Korea increasing their volumes the most (40% and 29% respectively).
- **Hardwood Chips** – China, Portugal, and South Korea imported more chips for their pulp industry in March than in the previous month. Most of the major chip-exporting countries, including Australia, Thailand, South Africa, and Brazil shipped more chips in March than in February.

In the coming months, numerous countries around the world are planning to ease lockdown policies and loosen the rules that are restricting house constructions, international commerce and consumer shopping. These changes may further benefit many companies in the forest industry sector. However, expect a rough road ahead.

*Interested in wood products market information from around the world? Please consider subscribing to the Wood Resource Quarterly (WRQ), a 56-page report, established in 1988 and with subscribers in over 30 countries. The report tracks **prices for sawlog, pulpwood, lumber & pellets** worldwide and reports on trade and wood market developments in most key regions around the world. For more insights on the latest international forest product market trends, please go to [www.WoodPrices.com](http://www.WoodPrices.com)*

### **Contact Information**

Wood Resources International LLC  
Hakan Ekstrom, Seattle, USA  
[info@WoodPrices.com](mailto:info@WoodPrices.com)