

Global Timber and Wood Products Market Update

- a news brief from Wood Resources International LLC

Softwood lumber trade was up 5% in the first half of 2019 on a worldwide basis, with China reaching record-high imports in the 2Q, reports the Wood Resource Quarterly

This is a brief excerpt from the newly released market report Wood Resource Quarterly). To read the full 56-page quarterly report, please visit www.WoodPrices.com to initiate a subscription.

WRQ - 32 Years of Global Wood Price Reporting

Global Softwood Lumber Trade

Demand for lumber in China, the United Kingdom, Egypt and the Netherlands increased this year despite a slowdown in the global economy. Global softwood lumber trade was up just over five percent year-over-year during the first half of 2019, according to the Wood Resource Quarterly. Of the major importing countries in the world, only Japan and Germany have experienced major declines in imports so far this year. Germany's lumber imports have fallen by 6.1%, while exports have gone up 9.2%. German net exports have increased from approximately 1.5 million m³ the first six months of 2018 to 2.0 million m³ during the same period in 2019.

Lumber markets – North America

Lumber demand in the US has not recovered as fast as many market observers predicted in 2018. Housing starts, which are the major lumber end-use sector, were hovering between 1.2 and 1.3 million starts annualized during the first half of 2019. This was slightly lower than during the same period in 2018.

Lumber production in Canada from January to May 2019 was nine percent lower than it was in same period in 2018. Most of the decline came from British Columbia, where production was down 16.5%.

Lumber markets – China

China imported almost eight million m³ of softwood lumber in the 2Q/19, a new quarterly high. Russian deliveries reached almost five million m³, a 39% increase from the 1Q/19

and 15% higher than in the 2Q/18. The Nordic countries have steadily expanded their shipments to China over the past year and were the country's third largest suppliers in the 2Q/19, after Russia and Canada.

Import prices have trended downward for the past 18 months and in June hit their lowest levels since early 2016 (read more about lumber prices in the latest issue of the WRQ).

Lumber markets – MENA

Softwood lumber imports to the Middle East and Northern Africa (the MENA region) were up three percent year-over-year in 2018. This increase came after import volumes in 2017 reached their lowest level in ten years. Decreased activity in the housing sector, political instability and financial turmoil reduced the demand for wood products in 2016 and 2017. However, with economic growth rebounding in 2018 and with a predicted expansion in the region over the next few years, consumption of softwood lumber is on the upswing. The increased import demand continued in the 1Q/19 when the two major markets, Egypt and Saudi Arabia, increased their importation by over 50% from the 1Q/18.

Global lumber, sawlog and pulpwood market reporting is included in the 56-page quarterly publication, the Wood Resource Quarterly (WRQ). The report, which was established in 1988 and has subscribers in over 30 countries, tracks sawlog, pulpwood, wood chip, lumber and pellet prices, trade and market developments in most key regions around the world. Please visit our website WoodPrices.com to learn more about our subscription services.

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