

WRI Market Insights 2021

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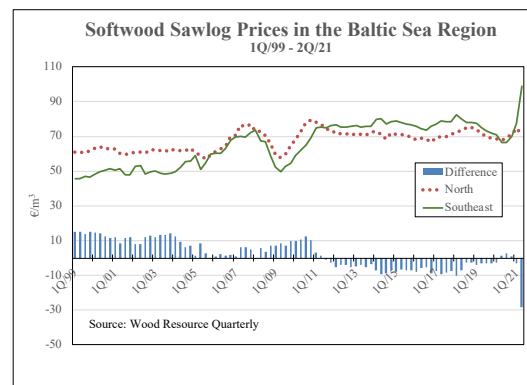
European Log Markets

Sawlog prices in the Baltic States and Poland took off in 2021, following two decades when prices for all markets around the Baltic Sea tracked each other closely

Sawlog prices in countries around the Baltic Sea have tracked each other closely for most of the past 20 years. The period can loosely be characterized as the first decade when sawlog prices in the Nordic countries were paid at a premium, followed by ten years when the South-eastern markets (the Baltic States and Poland) had the highest log costs.

However, in 2021 the relatively small price discrepancy between the two sub-regions changed when the log costs in the southeast region rose considerably to record high levels, while the increases in the Nordic countries were more modest (see chart).

In the 2Q/21, the sawlog price index (in Euro terms) for the Southeast Baltic Sea region was up 63% y-o-y, while the index for the Nordic countries was up only 16% over the same period, according to the Wood Resource Quarterly. For the nations around the Baltic Sea, prices rose the most in Latvia and Poland in 2021 compared to the previous year.



In 2020, just over 4.3 million m³ of softwood logs were shipped overseas between countries in the Baltic Sea region. A large share of the trade was from Estonia and Latvia to Finland and Sweden. There were also other significant trade flows of note, such as those from Norway to Germany, from Finland to Sweden, and from Germany to Lithuania. About half of the traded softwood log volume has been sawlogs, a percentage that has been relatively stable the past five years.

Softwood log exports from the Baltic States have trended downward since their 20-year peak in 2014, with the estimated total shipments in 2021 being about 40% lower than in 2014. Instead, exports of softwood lumber have gone up during the same period continuing a longer upward trend that started in 2008. As a result, the three Baltic States currently account for almost 10 percent of Europe's total lumber exportation.

*Are you interested in worldwide wood products market information? The Wood Resource Quarterly (WRQ) is a 75-page report established in 1988 and has subscribers in over 30 countries. The publication tracks **prices for sawlog, pulpwood, lumber & pellets** and reports on trade and wood market developments in most key regions worldwide. For more insights on the latest international forest product market trends, please go to www.WoodPrices.com*

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