



WRI Market Insights 2021

- a subscription service from Wood Resources International

The Global Forest Industry This Quarter

Global Timber Markets

- The strong lumber markets in North America and Europe resulted in higher sawlog prices in most parts of the world in early 2021.
- The **Global Sawlog Price Index (GSPI)** has increased for three consecutive quarters to almost \$79/m³ in the 1Q/21. This is substantially higher than its 25-year average.
- The **European Sawlog Price Index (ESPI)** rose to €81.44/m³ in 1Q/21, up 9% from the previous quarter. The most significant price increases from late 2020 occurred in the Baltic States and Eastern Europe.

Global Pulpwood Markets

- Both WRI's global fiber price indexes increased for the third consecutive quarter in the 1Q/21. The **Softwood Fiber Index (SFPI)** was up 1.7% q-o-q driven by higher costs for wood fiber (in US dollars) in the US South, the Nordic countries, Germany, and Oceania.
- The **Hardwood Fiber Price Index (HFPI)** rose 4.6% from its 15-year low in the 2Q/20 to just over \$83/odmt in the 1Q/21.

Global Pulp Markets

- Tight pulp markets have pushed **pulp prices** in the 1Q/21 to the second-highest levels in 15 years.
- Pulp production in **Brazil**, the world's second-largest producer of pulp behind the US, reached a quarterly record high of 5.5 million tons in the 1Q/21.

Global Lumber Markets

- **Lumber prices** in the US have taken off to levels where they have never been before. In April of 2021, average prices reached record levels that were more than three times as high as 12 months earlier.
- The sawmill industry in both **Finland and Sweden** has increasingly shipped lumber outside Europe over the past decade. In Finland, this share was up from about 50% in 2010 to reach almost 60% in 2020.
- Softwood lumber imports to **Japan** have been in steady decline for the past five years, and this trend continued in early 2021 when volumes were 14% lower y-o-y.
- With lumber prices reaching the stratosphere and costs for sawlogs moving up only marginally, **profits for sawmills** in North America and Europe were at record highs in the 1Q/21.

Global Biomass Markets

- Global **trade of wood pellets** has increased every year for the past decade with North America being the leading net exporting region.
- The forecasted growth in wood **pellet production** in Europe will increase competition for wood fiber and require new feedstock sources.

*Are you interested in worldwide wood products market information? The Wood Resource Quarterly (WRQ) is a 70-page report established in 1988 and has subscribers in over 30 countries. The report tracks **prices for sawlog, pulpwood, lumber, and 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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