

Global Timber and Wood Products Market Update

- a news brief from Wood Resources International LLC

Exports of logs and lumber from the US and Canada to China are on pace to reach a record 2.6 billion dollars in 2011, reports the Wood Resource Quarterly

The US and Canada have been exporting record volumes of logs and lumber to China in 2011. The Wood Resource Quarterly predicts that exports in 2011 will double those seen in 2010 to reach an estimated value of 2.6 billion dollars. Lumber shipments from Canada alone could reach 1.2 billion dollars this year. The North American share of log and lumber import volumes to China has increased from four percent in 2005 to 18 percent in 2010.

Seattle, USA. Shipments of softwood lumber and logs from the US and Canada to China will reach a new record high in 2011. In 2010, the two countries exported 1.3 billion US dollars worth of softwood products; if the pace seen in the first seven months of 2011 continues, the two countries' exports will more than double from last year, reaching a record 2.6 billion US dollars, according to the Wood Resource Quarterly.

Despite the disappointing developments in the US housing sector the past year, lumber production in both the US and Canada has been higher in 2011 than in 2010. Many sawmills in the Western US and Canada have benefitted from the dramatic increase in demand from Chinese lumber consumers and some sawmills are exporting up to 30-40 percent of their production to the fast developing market in Asia.

The biggest increase in shipments the past year has been that of softwood lumber from the province of British Columbia in Canada. Much of this lumber comes from the massive supply of timber that has been killed by the pine beetle over the past 15 years. The value of lumber shipments from Canada has increased from just 55 million dollars in 2005 to an estimated 1.2 billion dollars this year.

While Canada has drastically raised lumber shipments to China in recent years, the US has instead expanded exportation of logs to Chinese lumber manufacturers. This year, US west coast log exporters are projected to ship logs valued at over 900 million dollars, which is up from only 42 million dollars just four years ago.

The US and Canada have not only increased shipment volumes of logs and lumber to China the past five years; the countries have also expanded their importance in the Chinese wood market. In 2005, only four percent of all softwood logs and lumber imported to China originated from North America. Last year, this share had gone up to 18 percent, according to the Wood Resource Quarterly. Many North American log and lumber suppliers have the opportunity to expand their export sales in the coming years and it is likely that their presence in the Chinese market will grow.

Global timber market reporting is included in the 52-page quarterly publication Wood Resource Quarterly. The report, established in 1988 and with subscribers in over 25 countries, tracks sawlog, pulpwood, lumber and pellet prices and market developments in most key regions around the world.

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