

Latest trends in global sawntimber & log trade-flows

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21 November, San Marino

COFFI Market Discussion 2023, Foresta 2023
Joint Session on Forests and Forest Industry
For UNECE and FAO

Agenda

- **Log Trade**
- **Sawntimber Trade**

Analysing

- **Top Exporters**
- **Top Importers**
- **Shifting Flows**
- **Reasons**
- **Historic context**
- **2023 & Outlook**



Disclaimer:

- **Big Topic**
- **Based on public and private data (*sometimes contradictory*)**
- **Merging Quantitative data and Qualitative insights**

Telling the story of the global market



Special Thanks to Contributors

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For UNECE and FAO

Background



The most comprehensive global market tracker



150+ Market indicators

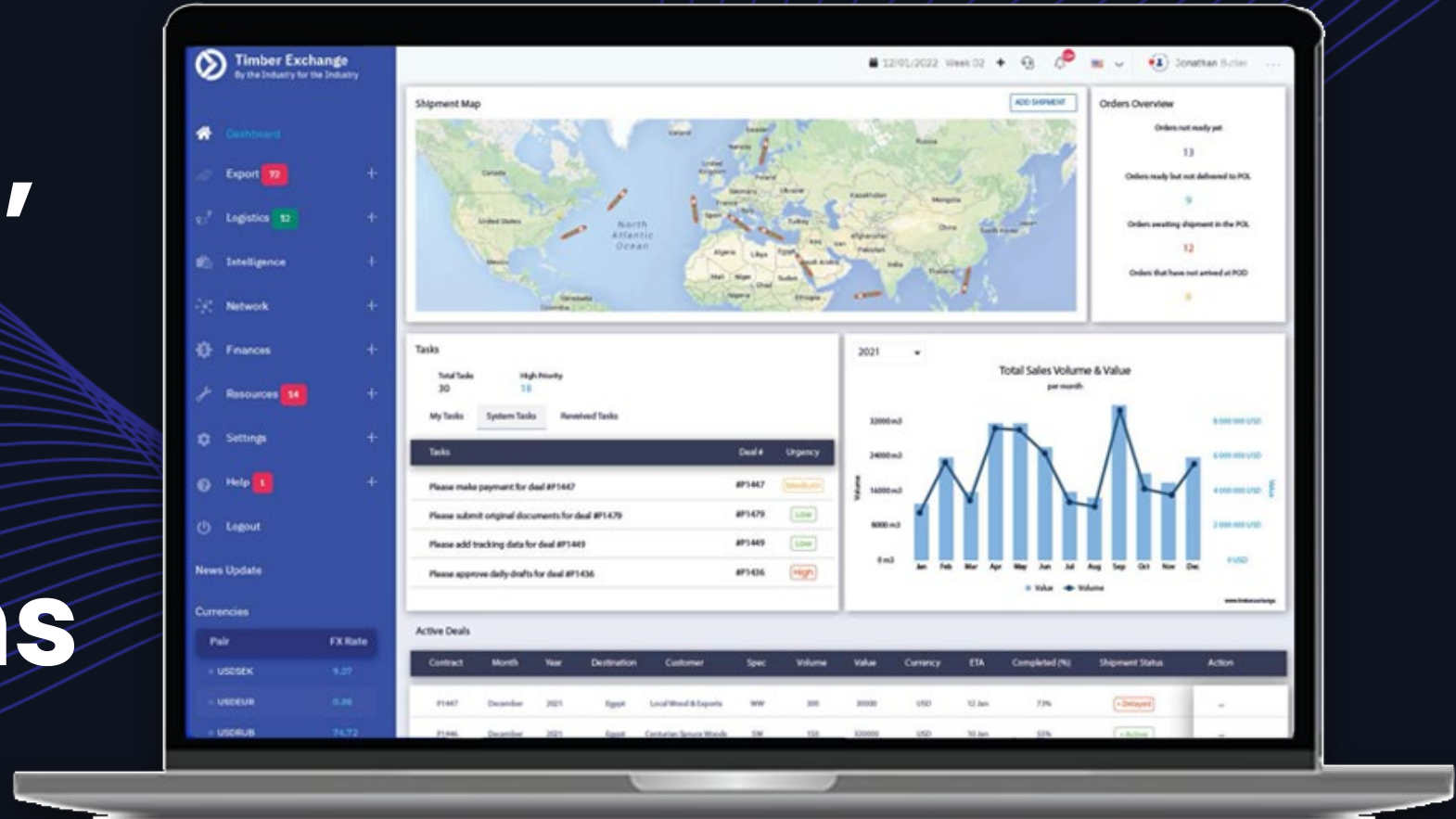


25+ Markets



Dashboard

Ensuring **safe,** **compliant &** **risk-free** supply-chains



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Log Market

An aerial photograph of a large industrial facility, likely a log processing plant or a major port. The foreground is dominated by vast stacks of raw logs, neatly piled in long, parallel rows on a dirt or gravel surface. In the middle ground, a large cargo ship with a red deck and a white superstructure is docked at a pier. Several large green cranes are positioned around the ship, and a yellow forklift is visible on the log stacks. The background shows a body of water, more industrial buildings, and a clear sky with a bright sun. The text "Long-term Trend Log Trade" is overlaid in the center of the image.

Long-term Trend Log Trade

2022-Top Log Exporters

Country	Volume (m3)
New Zealand	19,977,612
Netherlands	10,674,332
Czechia	9,705,979
Germany	8,166,376
Canada*	6,940,834
South Africa	5,082,187
USA	4,902,915
Russia Federation*	4,584,622
Norway	4,145,227
Poland	3,960,063
France	1,903,219
Total	80,043,366

- Top 4 markets are 62% of all log exports
- Top 10 markets are 92% of all log exports

* Russia Federation, Canada 2021 data

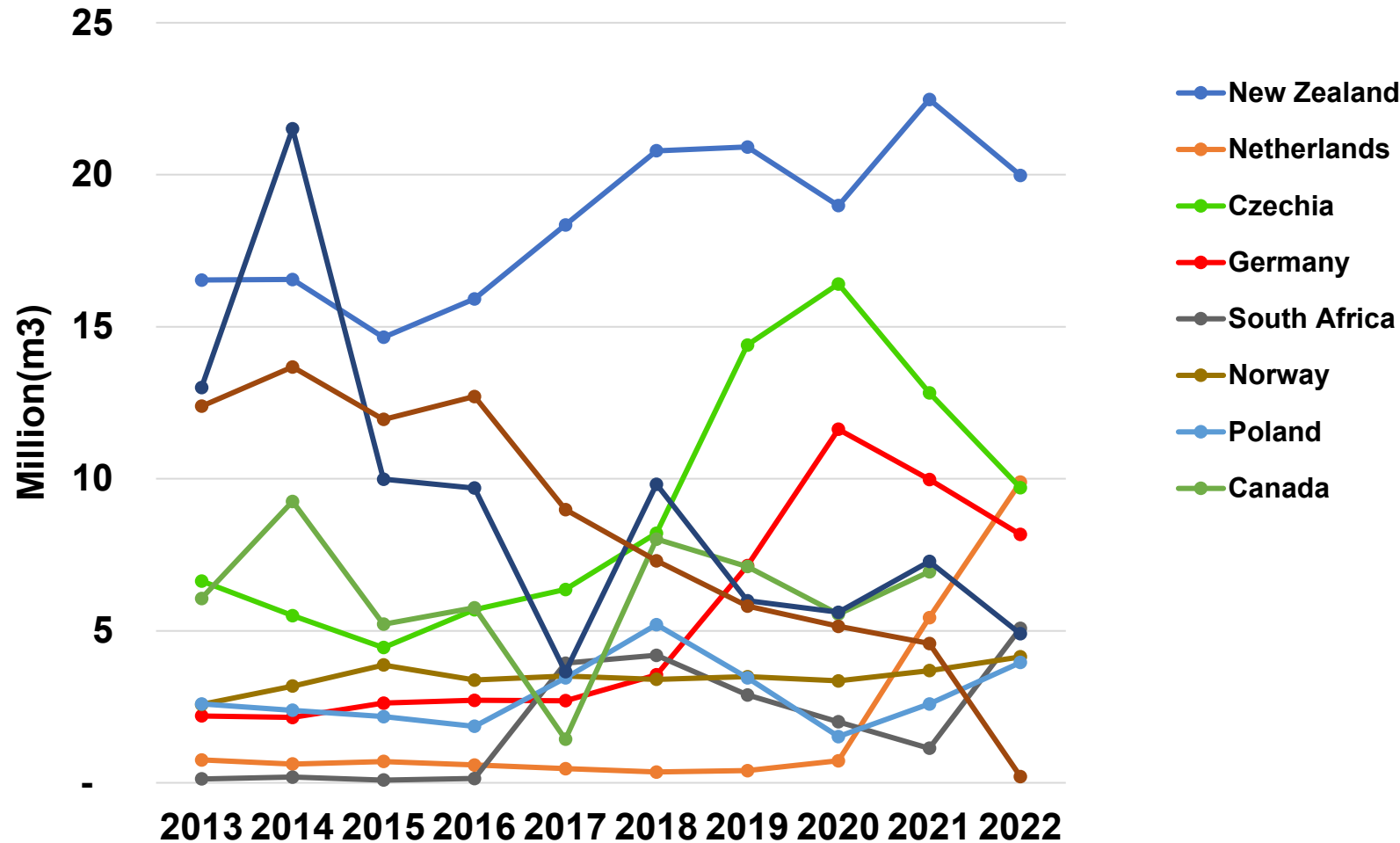
2022-Top 10 Log Importers

Country	Volume (m3)
China	24,274,677
Austria	7,464,645
India	5,880,834
Germany	4,840,148
Sweden	4,036,937
Belgium	2,292,325
Poland	2,237,945
United Kingdom	2,166,763
Rep. of Korea	2,046,058
Total	55,240,332

- Top 4 markets are 56% of all log imports
- Top 10 markets are 77% of all log imports

Annual Trend - Top 10 Log Exporting Countries

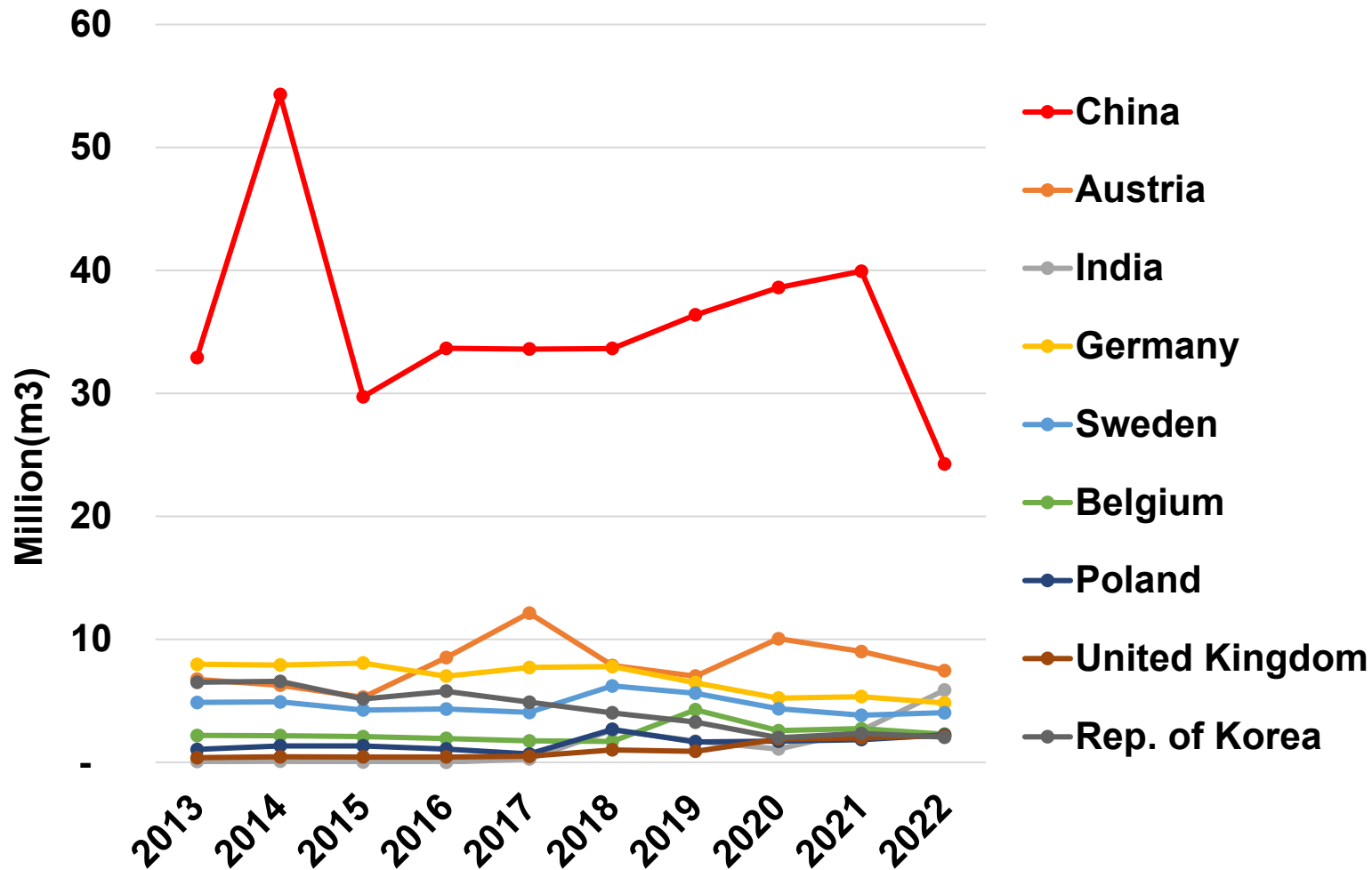
Top 10 Log Exporting Countries



Germany and **Czechia** increased 2018-2020 due to bark beetle and exports to China

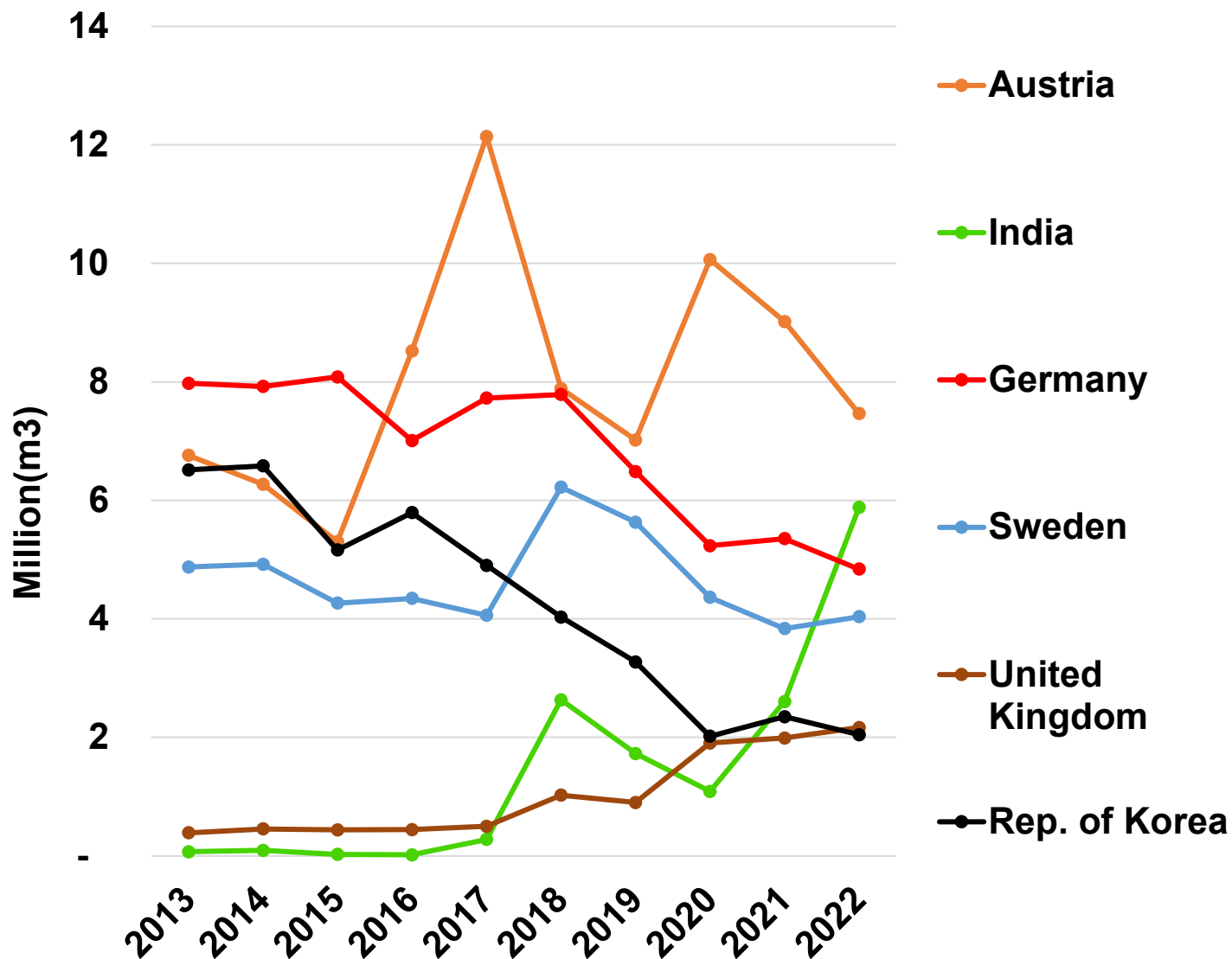
Top exporters declining since 2020 expect for **Netherlands**

Annual Trend-Top 10 Log Importing Countries



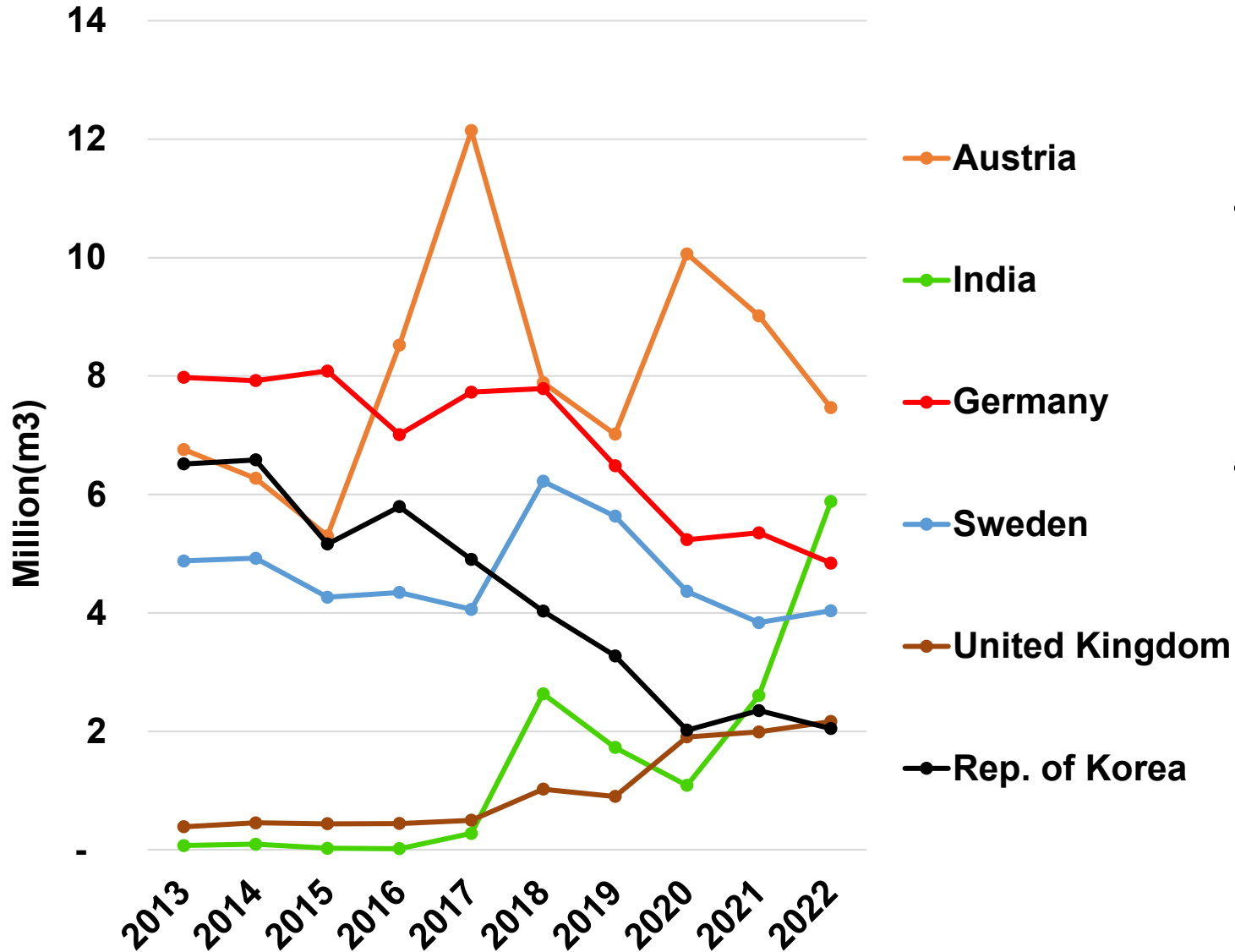
- China's** imports have peaked, may never recover;
- Russia Federation was a major log supplier
 - Afforestation policy, planting 2m HA annually until 2050
 - Demand started in 2016 from Government development, but burst in 2019.

Annual Trend-Top 10 Log Importing Countries



- 2017-2020 **Austria** & **Germany** imported cheap logs from neighbouring countries, resulting in local harvesting slowing down
- **India's** demand increased because lack of availability of sawntimber

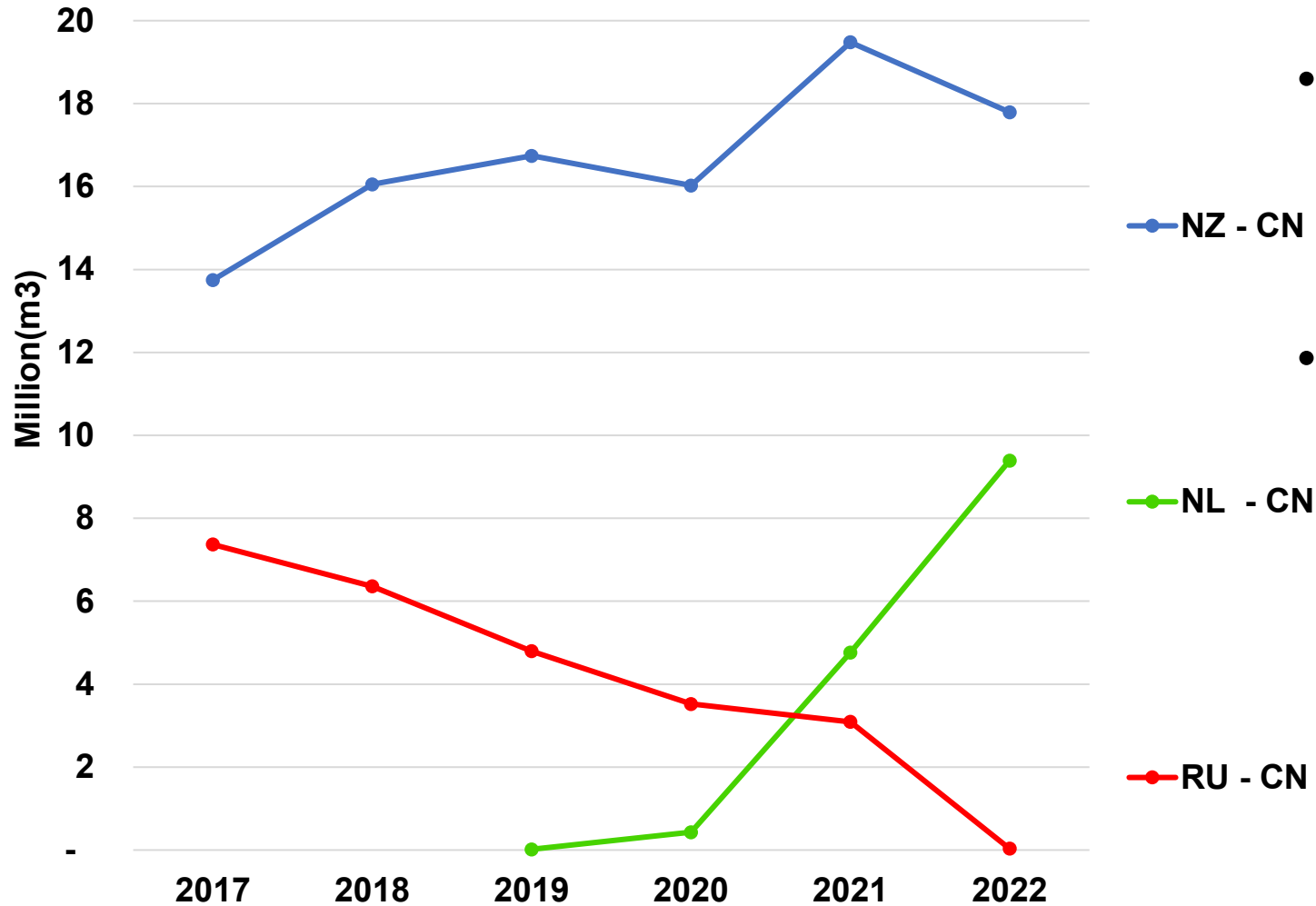
Annual Trend-Top 10 Log Importing Countries



- **Korean** market produced sawntimber from imported logs, but cheaper to import timber
- **UK** demand increased significantly due to covid, likely for pulp and energy

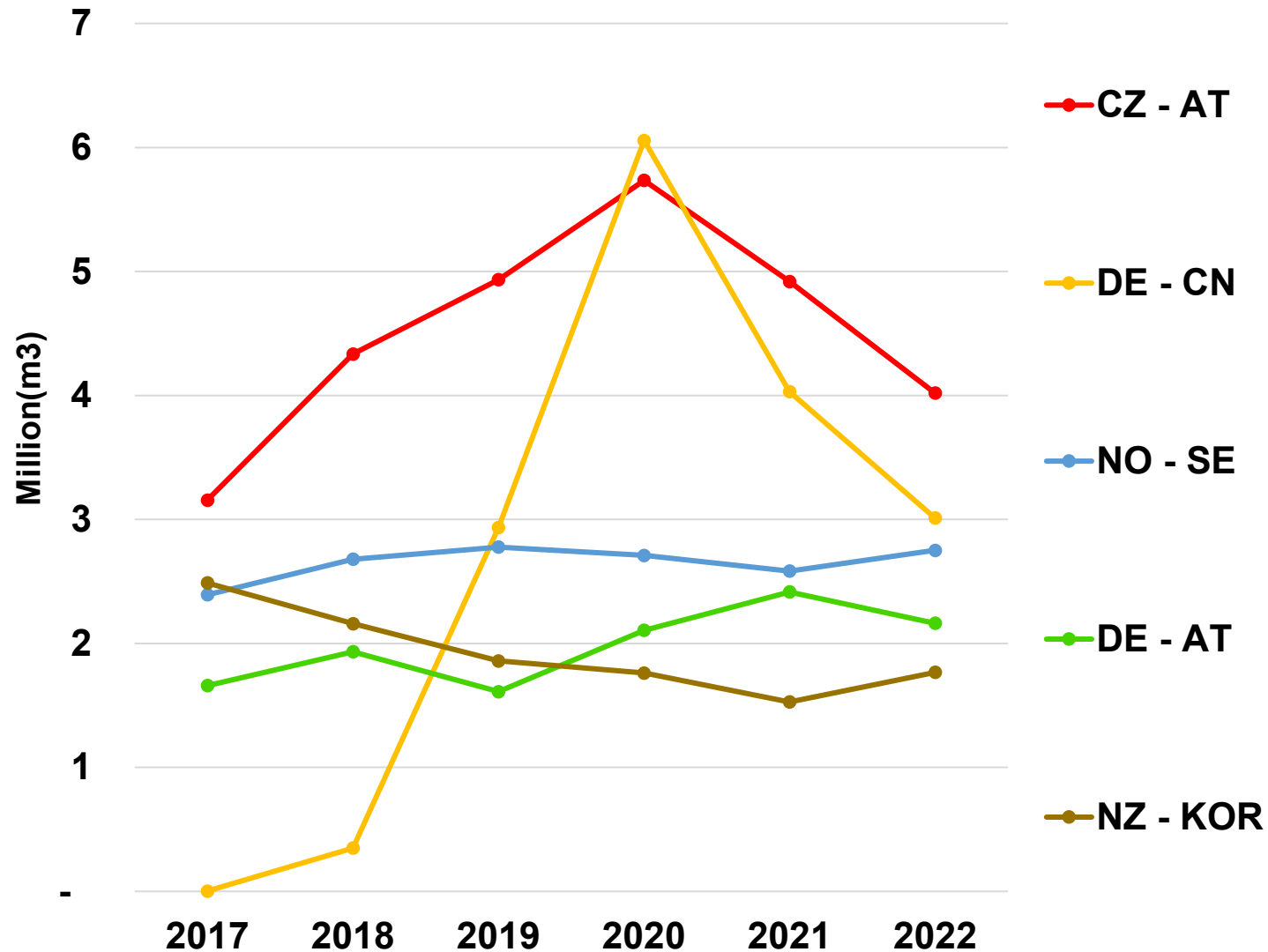
Top Log Export Trade Flow (2017-22)

Top 10 Export Trade Flow 2017-22



- **NZ-CN** increasing due to low log cost, high supply and cheap domestic processing
- Not sure why **NL-CN** increasing, guess its due to bark beetle reexport

Top Log Export Trade Flow (2017-22)



- **Intra-EU** trade falling due to less bark beetle
- As a result, less to export offshore

Top Log Importers (% annual change)

E. Log 2019,2022,2023
Import and Export
16.3

Country	2019	2022	% inc/dec
China	36,385,832	24,274,677	-50%
Austria	7,017,921	7,464,645	6%
India	1,726,506	5,880,834	71%
Germany	6,486,120	4,840,148	-34%
Sweden	5,632,633	4,036,937	-40%
Belgium	4,279,759	2,292,325	-87%
Poland	1,826,100	2,237,945	18%
United Kingdom	899,868	2,166,763	58%
Rep. of Korea	3,273,597	2,046,058	-60%

67,528,336

55,240,332

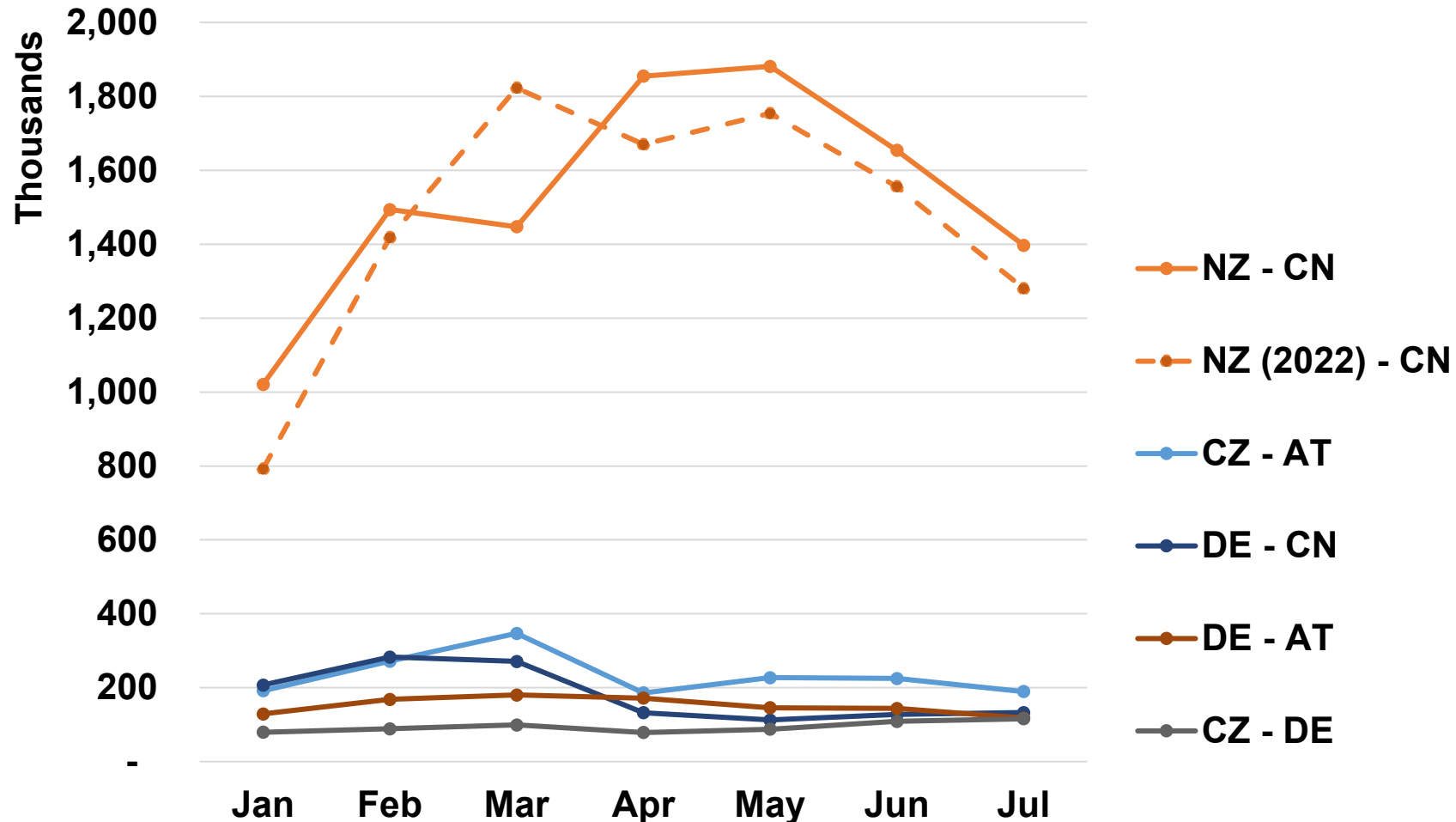
- China falling due to lower demand, high stocks & policy shift
- Sweden reduced imports, significant pulp wood from Russia Federation prior

An aerial photograph of a large industrial facility, likely a log processing plant or a major port. The foreground is dominated by vast stacks of raw logs, neatly piled in long, parallel rows on a dirt or gravel surface. In the middle ground, a large cargo ship with a red deck and a white superstructure is docked at a pier. Several tall, green cranes are positioned around the ship, and a yellow forklift is visible on the log stacks. The background shows a body of water, more industrial buildings, and a clear sky with a bright sun. The text "Short-term Trend Log Trade" is overlaid in the center of the image.

Short-term Trend Log Trade

2023 - Top 10 Log Exporter Trade Flow

Top 10 Exporter Monthly Trade Flow



- **NZ** exports to **CN** falling due to low demand and afforestation policy
- **Czech** and **German** exports falling for previously stated reasons

Top 10-Log Import (2023 YTD performance)

Country	2022	2023 (Until Aug)	Aug YTD 2023 vs Aug YTD 2022
China	24,274,677	20,673,723	22%
Austria	7,464,645	3,557,650	-40%
India	5,880,834	1,960,376	-100%
Germany	4,840,148	2,722,912	-19%
Sweden	4,036,937	3,048,559	12%
Belgium	2,292,325	1,479,517	-3%
Poland	2,237,945	792,896	-88%
United Kingdom	2,166,763	578,996	-149%
Rep. of Korea	2,046,058	1,277,122	-7%
	55,240,332	34,218,935	

- Indian imports fallen due to higher availability of timber
- UK imports fallen due to lower demand and economic uncertainty

An aerial photograph of a large timber barge on a body of water. The barge is filled with stacks of logs, which are secured with chains. A crane is visible on the deck, and the water is visible in the background. The text "Timber Trade Outlook" is overlaid on the image.

Timber Trade Outlook

An aerial photograph of a large cargo ship's deck, densely packed with rectangular timber logs. The logs are arranged in neat rows and are held in place by a network of heavy metal chains. In the upper center, a white crane with a green base is visible, with the number '1407-13-228' printed on its arm. To the left, a long, narrow stack of yellowish-brown material, possibly straw or hay, runs along the edge of the deck. The ship is on a body of water, and the overall scene is captured from a high angle, looking down the length of the vessel.

Long-term Trend Timber Trade

2022-Top 10-Sawntimber Exporters

Country	Volume (m3)
Canada	34,015,673
Russia Federation	23,739,258
Sweden	13,788,828
Germany	11,453,545
Finland	8,589,393
USA	6,623,613
Austria	5,877,623
Latvia	3,671,100
Chile	3,500,253
Brazil	3,282,294
Total	114,541,580

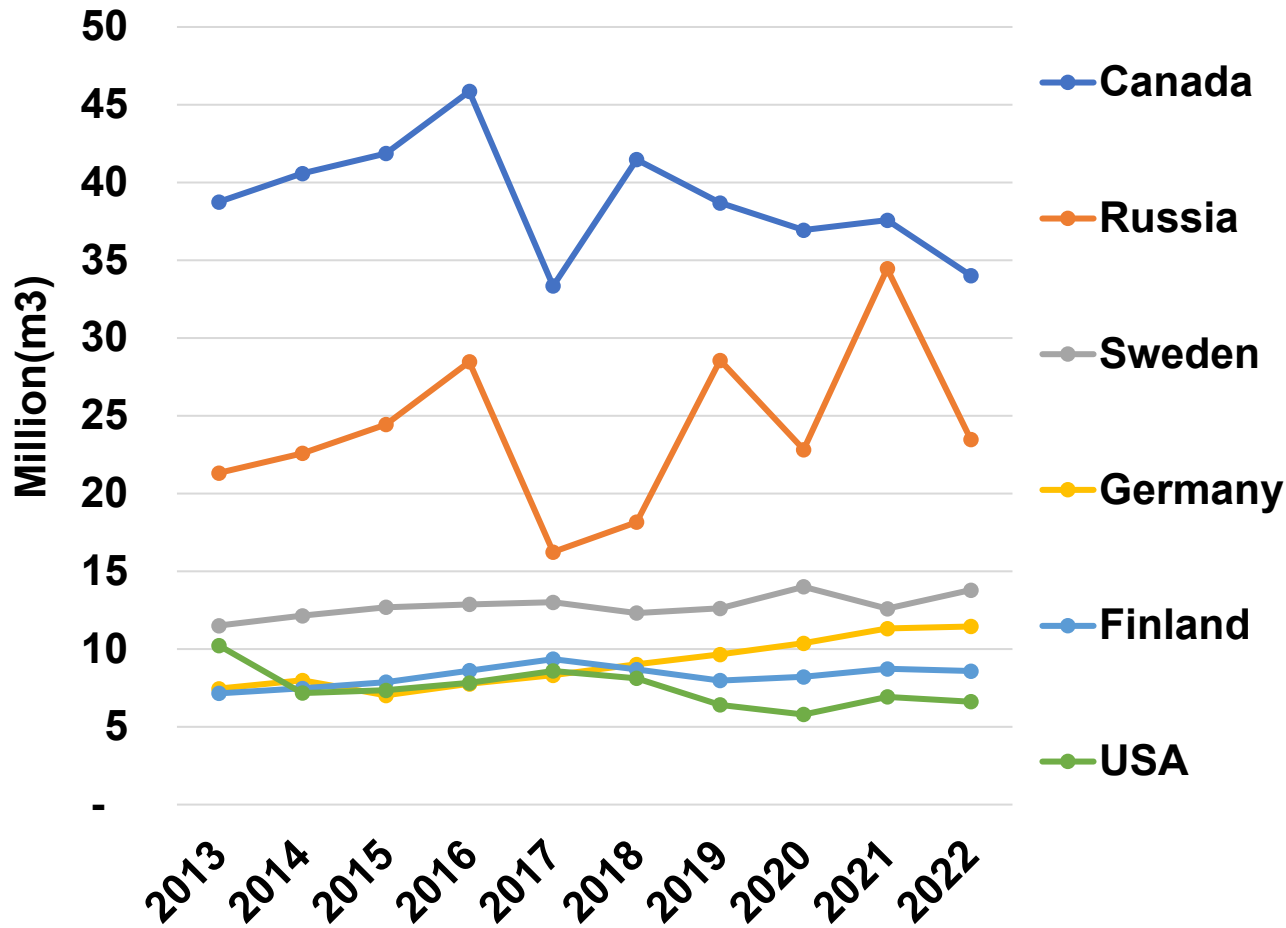
- Top 4 markets are 59% of all timber exports
- Top 10 markets are 83% of all timber exports

2022-Top 10 Sawntimber Importers

Country	Volume (m3)
USA	37,182,067
China	29,463,013
United Kingdom	7,872,475
France	5,549,452
Italy	5,212,515
Japan	4,895,140
Mexico	4,566,273
Germany	4,420,667
Netherlands	4,260,918
Egypt	3,825,365
Total	107,247,885

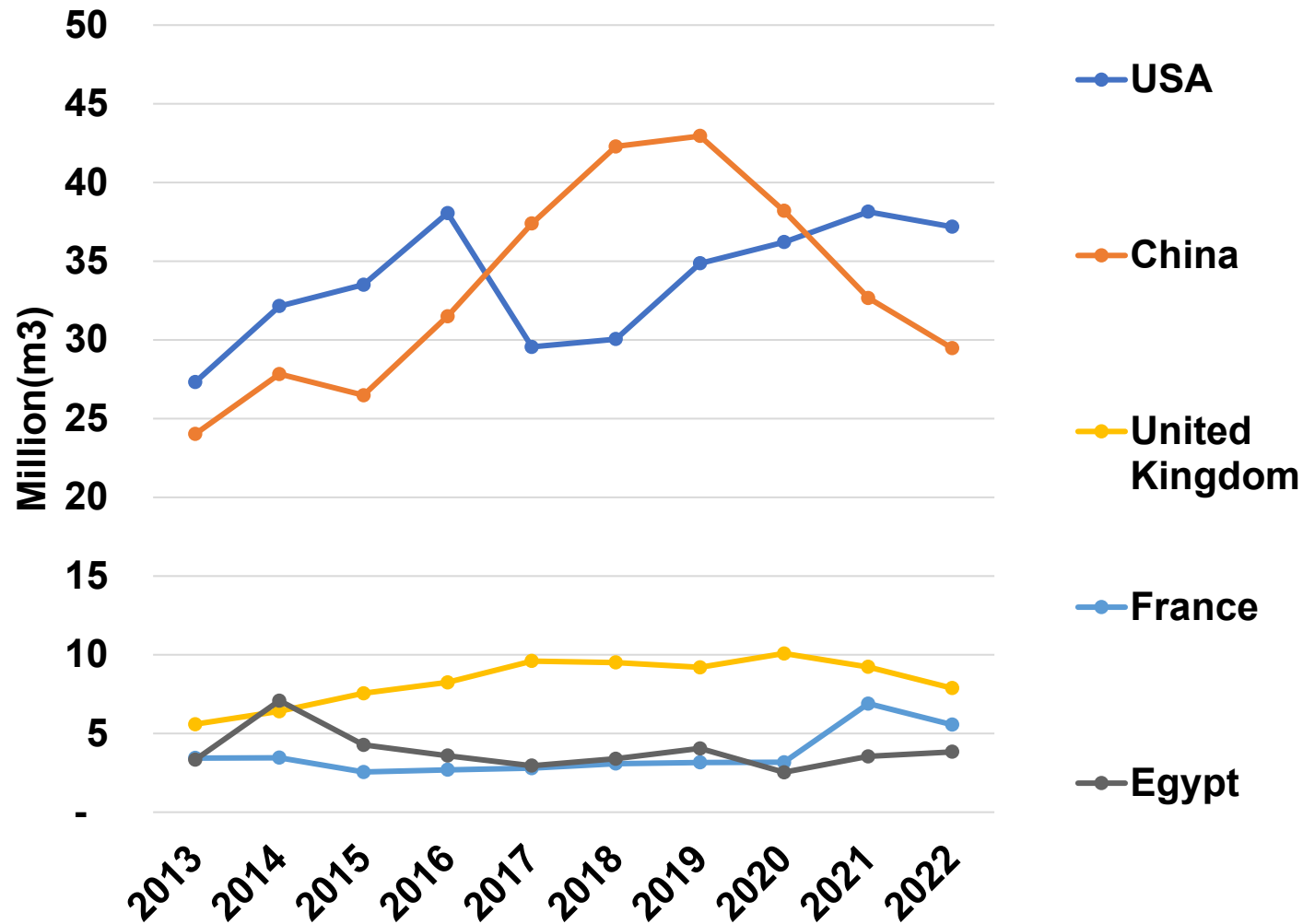
- Top 4 markets are 46% of all timber imports
- Top 10 markets are 62% of all timber imports

Annual Trend - Top 10 Sawntimber Exporting Countries(m3)



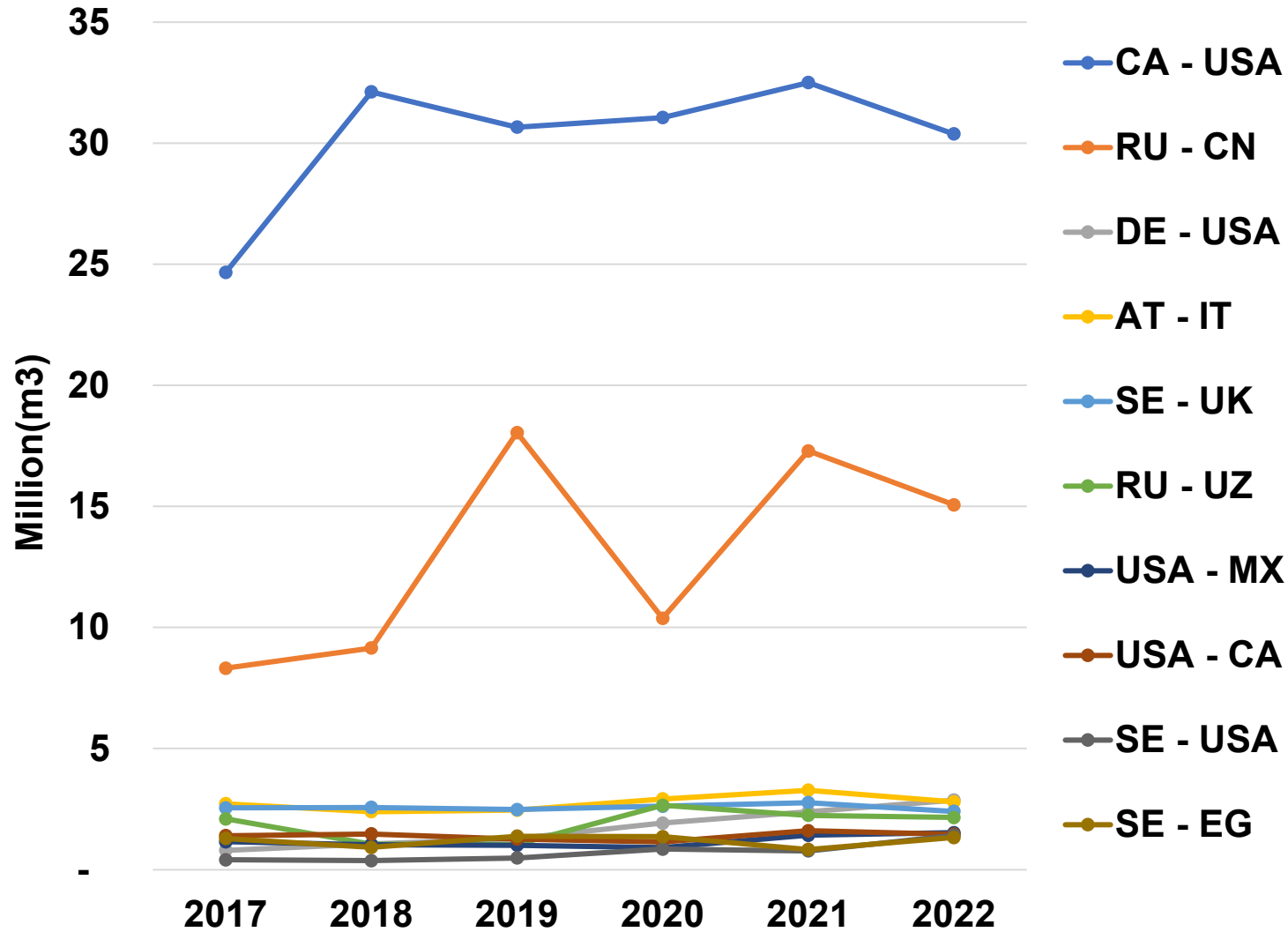
- **Canadian** export falling due to lower production, low market prices and higher production cost
- **Russian** export falling due to war, lower harvesting and supply-chain limitations

Annual Trend-Top 10 Sawntimber Importing Countries(m3)



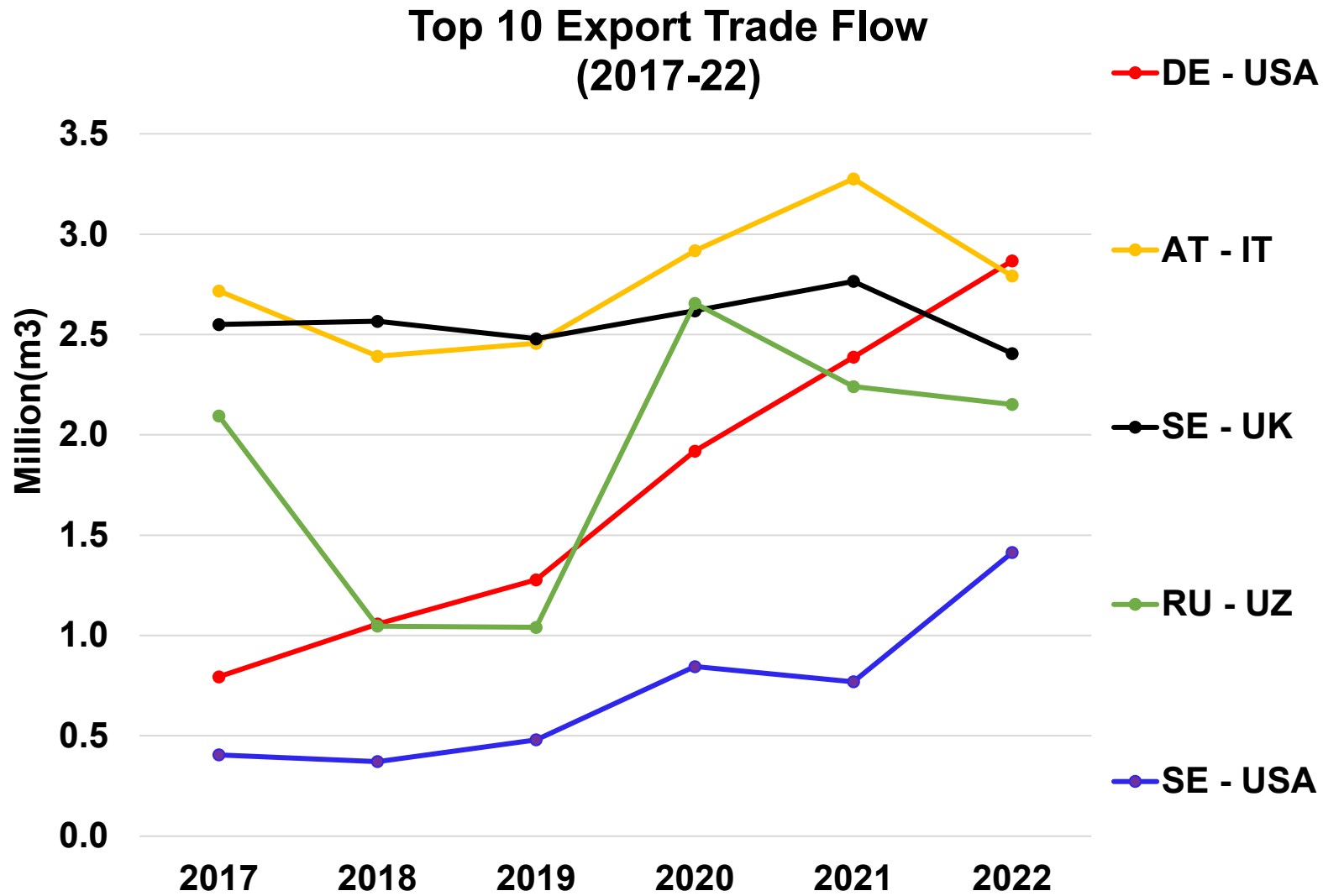
- **US** imports increased, due to strong entry from Europe during a time of declining Canadian supply
- **Chinese** volumes peaked in 2019 due to extraordinary construction and economic activity. Currently at low levels and recovering.

Annual Trend-Top 10 Export Trade Flow (2017-22)



- **Canada** stable exports to US past years. But declining long-term. Down 16m m3 since 2005.
- **Russia Federation** increasing reliance on **China** since 2019 thanks to closer economic and logistical integration, compared with other key markets such as **Egypt**

Annual Trend-Top 10 Export Trade Flow (2017-22)



- **German & Swedish** exports to US have exploded due to;
 - Strong US market
 - Low cost beetle logs in Germany
 - Weak Swedish Krona
- **Uzbekistan** has been a good market for Russia Federation to due strong economic growth and low competition

Top 10- Sawntimber Exporters (% annual change)

Country	2019	2022	% inc/dec
Canada	38,682,840	34,015,673	-14%
Russia Federation	28,565,416	23,480,659	-22%
Sweden	12,616,462	13,788,828	9%
Germany	9,654,925	11,453,545	16%
Finland	7,980,156	8,589,393	7%
USA	6,419,098	6,623,613	3%
Austria	6,245,457	5,877,623	-6%
Latvia	3,432,461	3,671,100	7%
Chile	3,655,774	3,500,253	-4%
Brazil	4,389,172	3,282,294	-34%

- **Germany** increased due to higher production and export dependence
- **Brazil** export fell due to overproduction and lower demand abroad

Top 10- Sawntimber Importers (% annual change)

Country	2019	2022	% inc/dec
USA	42,953,922	37,182,067	-16%
China	34,864,218	29,463,013	-18%
United Kingdom	7,088,048	10,317,344	31%
Italy	6,539,322	5,212,515	-25%
Japan	5,699,569	4,895,140	-16%
Mexico	2,264,730	4,566,273	50%
Germany	5,674,343	4,420,667	-28%
Netherlands	4,929,463	4,259,437	-16%
Egypt	4,041,657	3,825,365	-6%
France	3,156,894	3,449,452	43%

- **UK** increase due to surge in home improvement and repairs
- **Mexico** became a big buyer for Brazil, value-adding timber and pallet assembly for US exports
- **Egypt** challenged by economic issues

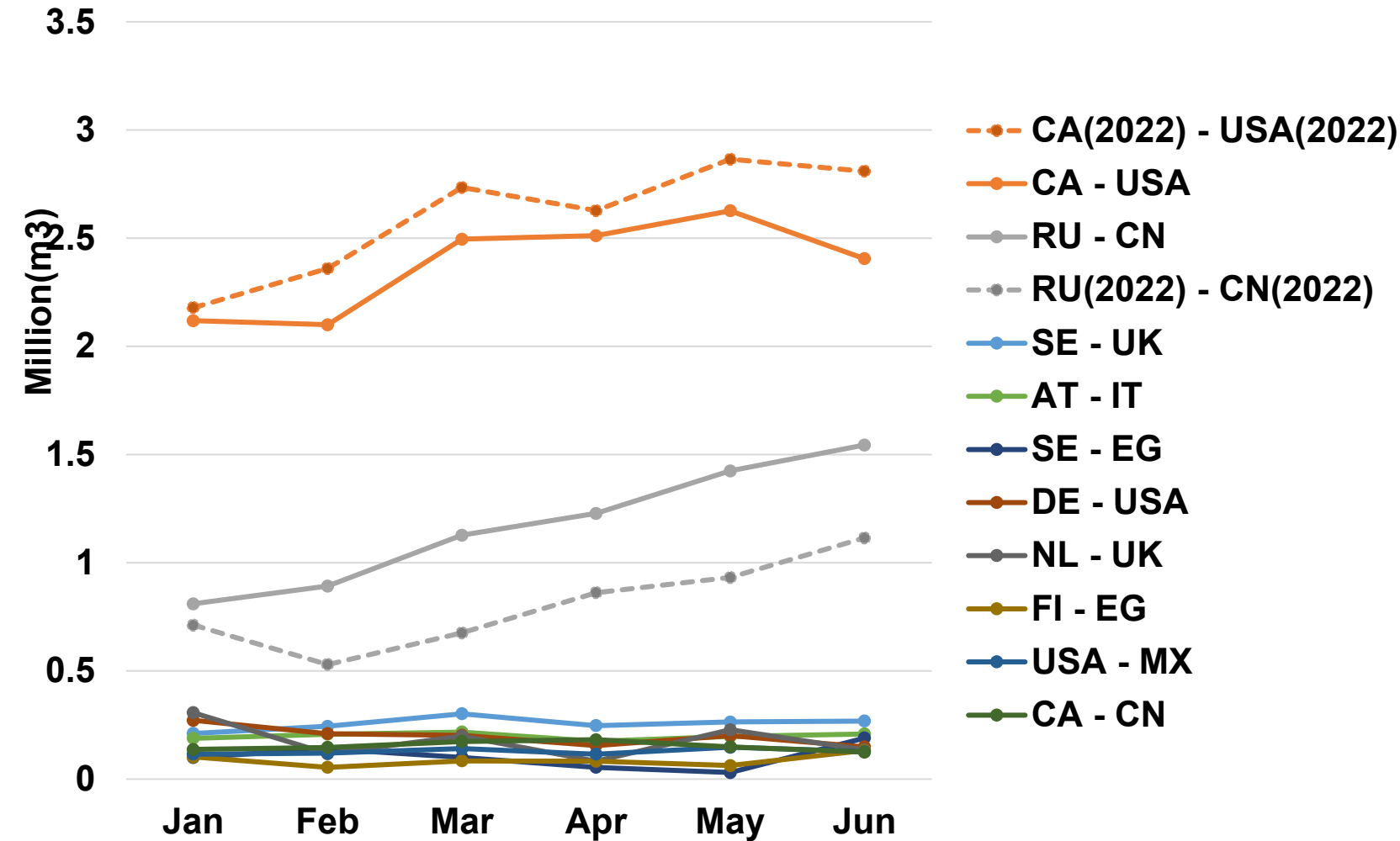
* Significant discrepancies exist between reporting countries, esp. France with ~2Mn variance (m3)

An aerial photograph of a large timber barge on a body of water. The barge is filled with stacks of logs, which are secured with yellow straps and metal chains. A crane is visible on the deck, and the water is a deep blue-grey color. The text "Short-term Term Timber Trade" is overlaid in the center of the image.

Short-term Term Timber Trade

Top 10-Export Trade Flow (2023)

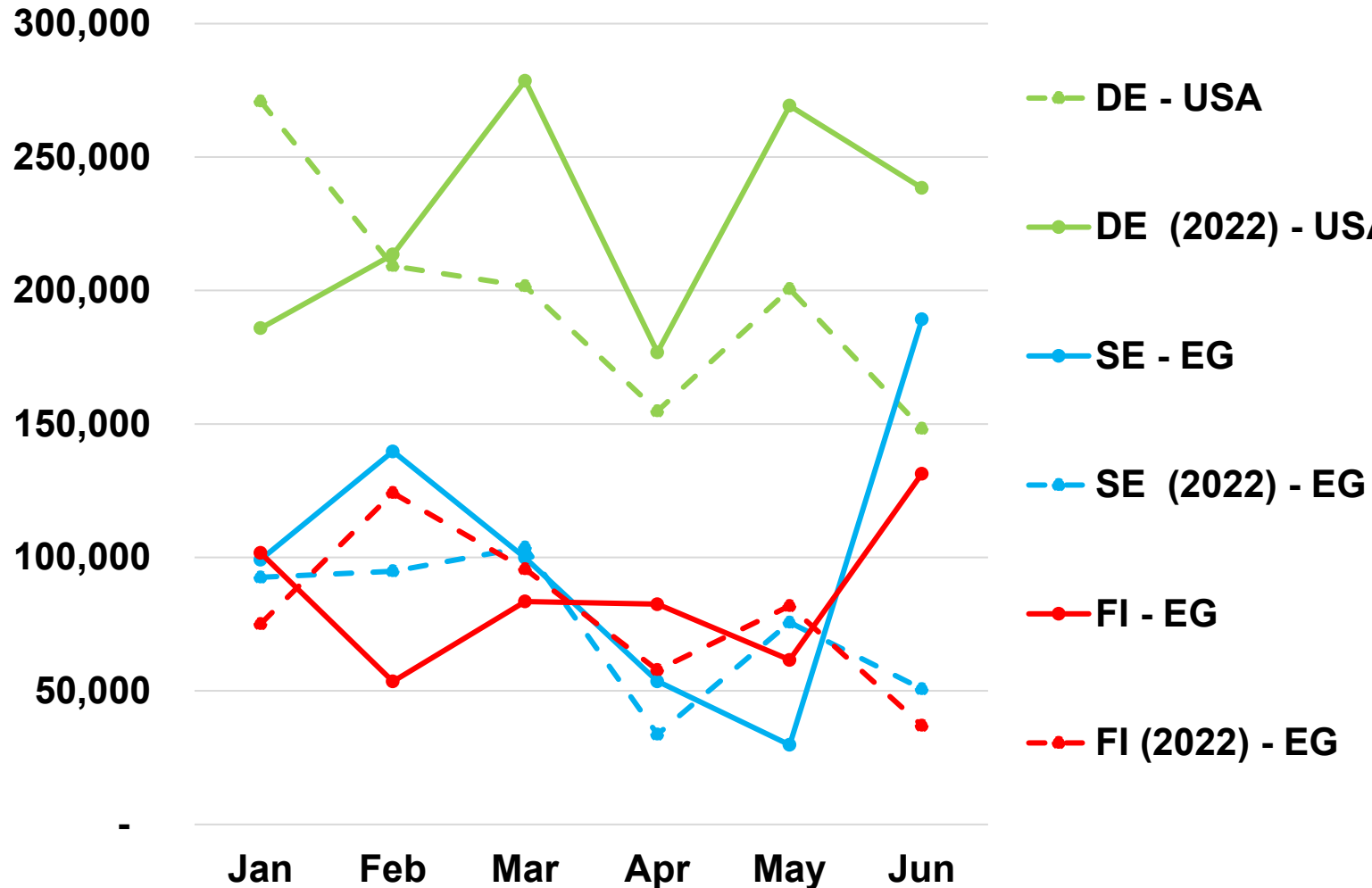
Lumber Export Monthly Trade Flow (2023)



- **CA-US** stable despite curtailment, due to lower offshore exports at unattractive prices
- **RU-CN** increasing due to interdependence

Top 10-Export Trade Flow (2023)

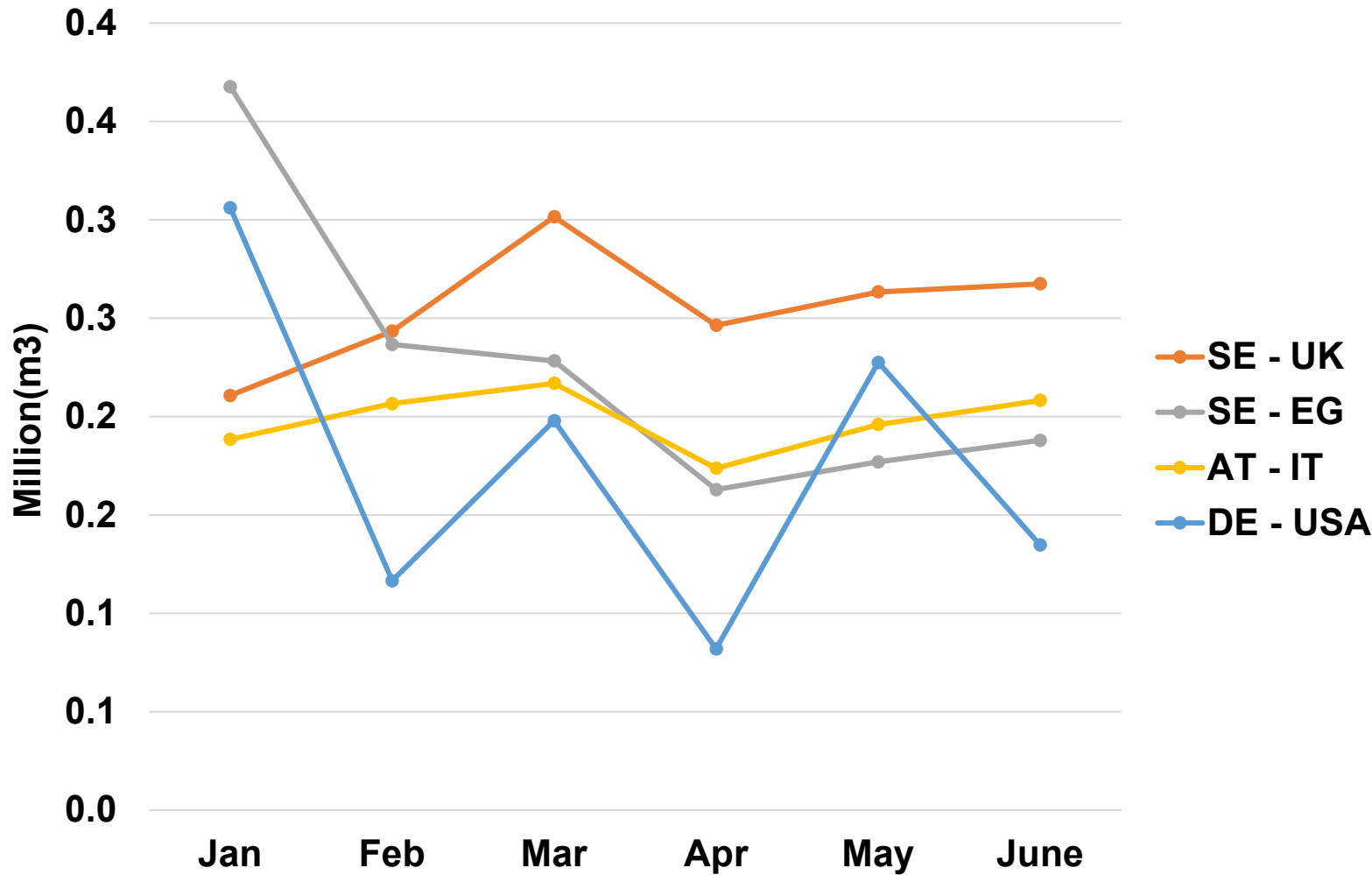
Lumber Export Monthly Trend (2023)



- As US market becomes worse **Germany** pulls out
- **Sweden & Finland** cleaned out stocks before summer in Egypt

Top-Sawntimber Import Trade Flow (2023)

Monthly Trend-Top 10 Import Trade Flow (2023)



EU-US shipments falling due to;

- Oversupply
- Lower housing starts
- Inland logistics issues
- Push for domestic species, like SYP

Top 10- Sawntimber Export (2022 vs 2023)

Country	2022	2023 (Until Jun)	June YTD 2023 vs June YTD 2022
Canada	34,015,673	16,133,127	-5%
Russia Federation	23,480,659	8,508,264	-38%
Sweden	13,788,828	7,502,459	8%
Germany	11,453,545	5,154,558	-11%
Finland	8,589,393	4,367,082	2%
USA	6,623,613	3,121,969	-6%
Austria	5,877,623	2,641,648	-11%
Latvia	3,671,100	1,448,906	-27%
Chile	3,500,253	1,396,214	-25%
Brazil	3,282,294	1,646,618	0.3%

- **Russia Federation** constrained by sanctions
- Weak **Swedish** Krona supporting Swedish exports
- **Germany** curtailing due to weak domestic and foreign markets
- **Chile** facing lower demand in Asia and competition from Brazil
- **Latvia** lost significant supply from Belarus + high log cost, led to curtailments

Top 10- Sawntimber Import (2022 vs 2023)




















Country	2022	2023 (Until June)	June YTD 2023 vs June YTD 2022
USA	37,182,067	17,554,111	-6%
China	41,435,085	10,838,280	-91%
United Kingdom	10,317,344	4,856,564	-6%
France	5,549,452	2,644,397	-5%
Italy	5,212,515	2,492,596	-5%
Japan	4,895,140	1,581,939	-55%
Mexico	4,566,273	1,729,731	-32%
Germany	4,420,667	1,694,819	-30%
Netherlands	4,259,437	1,875,602	-14%
Egypt	3,825,365	2,311,618	17%

- **UK** demand fell due to high inventory and low consumption
- **French** volumes are coming down to normal levels after extraordinary demand
- **Japan** suffering from high inventories and lower consumption
- **Mexico** effected by weak US market, export dependent



Consumption

Housing Starts

Country	2019	2020	2021	2022	2023 (until June)
Germany-Housing Permits (units)	317,881	327,129 	336,578 	311,019 	131,909  (-18%)
USA-Housing Starts (SF+MF units)	1,321,000	1,388,200 	1,601,100 	1,552,600 	719,400  (-8%)
Sweden (units)	48,418	54,082 	57,142 	52,128 	23,135  (-13%)
China ('1000 sqm)	564,438	567,860 	552,744 	550,679 	127,442  (-116%)
Egypt – Total Housing Units	281,281	194,219 	336,329 	130,660 	

Sawntimber Consumption

Country	Total Consumption (2021)	Total Consumption (2022)*	Total Consumption (Jan-Jun'23)#
USA	118,786,399	118,636,523 (-0.13%) ↓	58,537,991 (-1.33%) ↓
Sweden	6,687,142	7,072,376 (5.45%) ↑	2,939,436 (-20.30%) ↓
China	69,182,687	66,224,487 (-4.47%) ↓	40,662,258 (18.57%) ↑
Japan	16,570,000	16,349,000 (-1.35%) ↓	7,809,000 (-4.68%) ↓
Egypt	3,368,971	3,809,547 (11.57%) ↑	238,618 (18.55%) ↑

Total Consumption = (Start Inventory + Import + Production) - Export - End Inventory

* % difference compared to 2021

% difference compared between Jan'23 and Jun'23

Conclusion

- **Exiting a very volatile time, with extremes**
- **More volatility going forward, due to varied economic performance across key markets**

Conclusion-Logs

- **Total log market size declining, but balanced by competition from pulp & energy**
- **Driving higher prices and demand, in turn increasing prices of sawn timber**

Conclusion-Timber

Coming lack of raw material in Central Europe and BC =

a) Higher competition at other sources

b) Shift of trade established lanes;

- Russia Federation will enter wider MENA**
- South America will enter EU and North Africa**
- Nordics will supply more to US & Central Europe**
- China relies less on Europe**

Conclusion-Medium & Long-term

**High underlying demand for housing globally,
supported by young demographic**

The background image shows a large-scale industrial or construction site. In the foreground, there's a concrete area with some metal railings and a yellow sign. The middle ground features a massive structure under construction, possibly a bridge or a large building, with numerous vertical supports and cables. In the background, a large ship is docked at a pier, and the sky is blue with some clouds.



Timber Exchange

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