



WRI Market Insights 2020

- a subscription service from Wood Resources International

The Global Forest Industry This Quarter

Global Timber Markets

- Global **trade of softwood logs** in 2019 remained practically unchanged from 2018 at 93 million m³. As much as 45% of globally shipped logs were destined for China.
- **Sawlog prices** continued their decline on all continents in late 2019, reported the Wood Resource Quarterly. By far the biggest price reductions in 2019 occurred in Europe, particularly in the central region of the continent.
- In the 4Q/19, the **GSPI sawlog price index** dropped for the seventh consecutive quarter to its lowest level since early 2016.

Global Pulpwood Markets

- **Wood fiber costs** for the world's pulpmills continued to decline in the 4Q/19. The biggest price reductions of wood chips and pulplogs occurred in Europe and Latin America, while the downward price movements in Asia, Oceania and North America were more modest q-o-q.
- Both WRI's wood fiber price indices reported by WRI declined for the third consecutive quarter in the 4Q/19. In the 4Q/19, the **Softwood Fiber Price Index (SFPI)** fell 2.0% q-o-q, the lowest level in 2.5 years. The **Hardwood Fiber Price Index (HFPI)** was 3.0% lower than the previous quarter and the lowest it has been since the 2Q/17.

Global Pulp Markets

- In 2019, global **shipments of chemical pulp** were up 3.5% from the previous year. This increase was mostly the result of a strong second half of the year when pulp imports to China were up 16% from the 2H/18.
- The **NSBK price** in Europe finally stopped falling in late 2019 to reach a three-year low of \$820/ton in December, while the BHKP prices levelled off at \$680/ton.

Global Lumber Markets

- Profits for sawmills in the **US South** reached record highs in 2018 but have since fallen substantially and were below their ten-year average in the 4Q/19, according to the WRQ.
- 2019 was the year when **Russia** surpassed **Canada** as the world's largest exporter of softwood lumber. The shift at the top came as the result of declining exports from Canada, particularly from British Columbia to the US, and a substantial increase in exports from Russia to China.
- Overseas lumber supply to the **US** increased to a record 14% of total imports in the 4Q/19, with Germany, Sweden, Chile, Brazil and Austria being the largest suppliers.
- **China** continued to increase importation of softwood lumber in 2019 when 28 million m³ was unloaded at the country's ports, 15% more than in 2018.

Global Biomass Markets

- Global **trade of wood pellets** reached a record high in 2019 with almost half of the volume being destined for the United Kingdom and Denmark.
- **Import prices** for wood pellets moved up in the 4Q/19 for all the major importing countries in Europe. The biggest change was seen in Belgium, where pellet prices jumped 14% q-o-q.

*Interested in wood products market information from around the world? The Wood Resource Quarterly (WRQ) is a 56-page report, established in 1988 and has subscribers in over 30 countries. The report tracks **prices for sawlog, pulpwood, lumber & pellets** worldwide and reports on trade and wood market developments in most key regions around the world. For more insights on the latest international forest product market trends, please go to www.WoodPrices.com*

Contact Information

Wood Resources International LLC

Hakan Ekstrom, Seattle, USA

info@WoodPrices.com

www.WoodPrices.com