

WRI Market Insights 2023

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Global Wood Fiber Markets

Imports of wood chips and logs to Finland from Russia fell from an all-time high in 2020 to zero in late 2022

Finnish pulpmills and sawmills have long been dependent on imported wood raw-material to meet their wood fiber needs. In 2021, as much as 23% of the pulp sector relied on foreign logs and wood chips, predominantly from neighboring countries. From 2018 to 2021, the total import volume was over 11 million m³ annually, with hardwood logs accounting for about 50% of the volume. However, the stable foreign fiber supply changed swiftly in early 2022.

Finland's wood raw-material imports from Russia fell dramatically in 2022 following many years of active trade between the two countries. In 2021, Russia decided to halt softwood log exports starting January 1, 2022 to support the domestic forest industry with lower-cost wood raw-material. Hardwood logs and wood chips were exempted from that export ban. However, when Russia invaded Ukraine, Finland, like most European countries, boycotted the importation of Russian goods, including forest products. As a result, trade started to dwindle between Russia and Finland in the 2Q/22, and by the 3Q, shipments were down to zero.

The strong pulp market made the Finnish pulp industry search for alternative supply sources to keep operating rates high, but it has been difficult to find over 10 million m³ of pulplogs and chips (annualized) with short notice. Companies have used different strategies to tackle the tight fiber supply, including using more domestic pulpwood, substituting softwood fiber for hardwood fiber, and importing more wood fiber from non-Russian sources. In the 3Q/22, imports were mainly up from Sweden and the Baltic States, but there were also a few shipments of logs and wood chips from Brazil, South Africa, and Uruguay.

In 2022, the total imports will likely be down almost 60% from 2021, with hardwood log supply declining even more (a 70% drop). In the coming years, it is possible that Finnish pulpmills will increase the share of softwood fiber in their furnish and that more pulplogs will be sourced domestically.

*Wood Resource Quarterly has been digitized and is now available as an interactive online business intelligence platform, **WoodMarket Prices (WMP)**. The pricing data service, established in 1988, has subscribers in over 30 countries. The WMP 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 WMP platform, a unique and valuable tool for every company and organisation that require updates on the latest developments of global forest products markets, please go to [Global Wood Prices](#)*

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