Global Trade of Wood Products

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Subjects

I. Overview of developments
II. Global forest products market trends (for roundwood)
III. Trade flow trends
IV. Flooring market trends
V. Market drivers
VI. Future prospects
VII. Questions and discussion
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Main sources of information

- UNECE/FAO TIMBER database
- FAO Statistics
- State of the World’s Forests 2009, FAO
Main sources of information, continued

- UN Comtrade validated by European Forest Institute
- US Foreign Agricultural Statistics
- Chinese Customs
- State Forestry Agency, China
- International Wood Markets Group
- European Federation of the Parquet Industry
I. Overview of developments
Globalization of forest products trade

- Increasing affecting local economies, governments and organizations
- Positive for consumers
- Negative for importing countries’ manufacturing
Global, with emphasis on major trade

- North America (Canada and US)
- Latin America (Central and South America only)
- Europe
- CIS (mainly Russian Federation)
- Asia (mainly China)
UN Economic Commission for Europe region

- Europe 42
- North America 2
- Commonwealth of Independent States, 12
II. Global forest products market trends
Export Value of Wood and Paper Products

- $102 billion
- Europe

+52%

Where do exports originate?


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N. America’s dramatic downturn – US housing starts

US housing starts

US housing starts & unsold new houses

Housing starts: N. America vs. Europe

Japan’s housing starts

Source: Ministry of Land, Infrastructure and Transportation via Japan Wood Products Information and Research Center, 2009
Russian wood and paper exports


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Roundwood exports falling with taxes, forest sector reorganization
Import Value of Wood and Paper Products

Where are importers?

China imports roundwood and waste paper

Europe includes intra-regional trade


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Trade Value Development by Major Region

China’s Wood and Paper Products Exports

Skyrocketing trend slowed in 2008 in volume, but increased 6% in value due in part to RMB appreciation.

Note: Includes sawnwood, panels, paper.

China’s Wood and Non-Wood Furniture Exports


* 2008 estimated
China’s Forest Products Consumption

Sources: FAOSTAT, 2008 and Tan, X. et al., 2007.
S. American forest products exports, 2006, $ million

III. Trade flow trends
Industrial Roundwood Trade Flows

Industrial Roundwood Trade Flows

Index (1996=100)

Global industrial roundwood vs. fuelwood

- Over half used as fuel
  - Domestic heating
  - Cooking
- Mostly in developing countries
- Low value
- Modern wood energy
  - Small international trade
  - Growing market
  - Policy push in Europe
IV. Flooring market trends
Factors affecting demand and trade

- Economic conditions, mortgage (home loan) rates
- Housing starts
- Remodelling
- Demand for wood flooring vs. other flooring options
China's engineered flooring exports, value

*Note: 2008 data is January to November, only 11 months.

Source: Chinese Customs, 2009.
China's engineered flooring exports, volume

*Note: 2008 data is January to November, only 11 months.

Source: Chinese Customs, 2009.
Could shipments to Canadian ports be destined for US?

*Note: 2008 data is January to November, only 11 months.

Source: Chinese Customs, 2009.
China’s laminated flooring exports, volume

 Converted from ton to m³ by 750kg/m³.

*Note: 2008 data is January to November, only 11 months. Source: Chinese Customs, 2009.
China’s solid wood flooring exports, value

Could shipments to Canadian ports be destined for US?

* Note: 2008 data is January to November, only 11 months.

Source: Chinese Customs, 2009.
China’s solid wood flooring exports, volume

*Note: 2008 data is January to November, only 11 months.

Source: Chinese Customs, 2009.

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China’s wood flooring production

Source: State Forestry Administration, China, 2009.

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Exporters of wood flooring and shaped wood

Note: Includes much more than flooring.

Source: UN Comtrade, 2009.
Importers of wood flooring and shaped wood

Note: Includes much more than flooring.

Source: UN Comtrade, 2009.
European parquet production and consumption

European parquet consumption per capita


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European parquet production, 2007

- Multilayer: 76%
- Solid: 19%
- Mosaic: 3%
- Lamparquet: 2%

European species used, 2007

European construction sectors’ growth rates, 2007

Source: Euroconstruct, reported by FEP, 2009.
European construction market shares, 2007

Source: Euroconstruct, reported by FEP, 2009.
US hardwood flooring exports to Canada and Mexico, value


Some shipments to Canada may be re-shipped out of North America

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US hardwood flooring exports to non-North America, value

US softwood flooring exports, value

- Note softwood flooring 1000 times less than hardwood

- Note softwood flooring exports to N. America may include re-export

US hardwood flooring imports, value

US softwood flooring imports, value

US hardwood flooring exports to Canada and Mexico, volume

US hardwood flooring exports to non-North America, volume

US softwood flooring exports, volume

US hardwood flooring imports from Canada and Mexico, volume

US hardwood flooring imports from non-North American countries, volume


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US softwood flooring imports, volume

Russian flooring market

• Parquet demand forecast to increase 84% by 2010
• From 5.7 million m² in 2007
• To 10.5 million m² in 2010
• Market shares in 2007
  – Tarkett (Germany) 17%
  – Grabo 7%
  – Woodpecker 7%

Source: Delovoi Petersburg, September 2008, as reported by Maskayu, of the Malaysian Timber Industry Board, September 2008.
IV. Market drivers

• Socio-economic factors
• Currency rate variations
• Green building programs
• Public procurement
• Social responsibility
• Environmental consciousness
• Climate change
• Deforestation and afforestation
• Alternative demands on forests
V. Future prospects

• Increased environmental consideration
• Wood-based energy
• Promotion of wood and paper products as sustainable, recyclable materials
• Continued long-term growth of forest products markets
V. Future prospects (continued)

• CE marking for European Union flooring
  – March 2010
  – Certifies that product has met EU consumer safety, health and environmental requirements
  – Attention producers in EU and exporters to the EU!
V. Future prospects (continued)

- Laws, duties, tariffs, taxes, regulations
- Raw material costs
- Labour costs & benefits
- Manufacturing costs
- Goal: Raise standard of living → and domestic consumption of wood products
V. Future prospects

• Greater harvests
• Economic and trade recovery
• Alternative demands on forestlands
• Competition based on marketable attributes other than price, for example corporate responsibility for
  - Social aspects
  - Environmental aspects, including certification of sustainable supply sources
• More research and development
VI. Discussion & questions
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