

Global Wood Markets: Consumption, Production and Trade

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18 May 2010, Nancy, France



Presentation topics

- I. Introduction
- II. Where is the supply? Global forests
- III. Where is the production? Where is the demand?
- IV. Forest products trade
 - Primary
 - Secondary
- V. Conclusions
- VI. Discussion



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I. Introduction

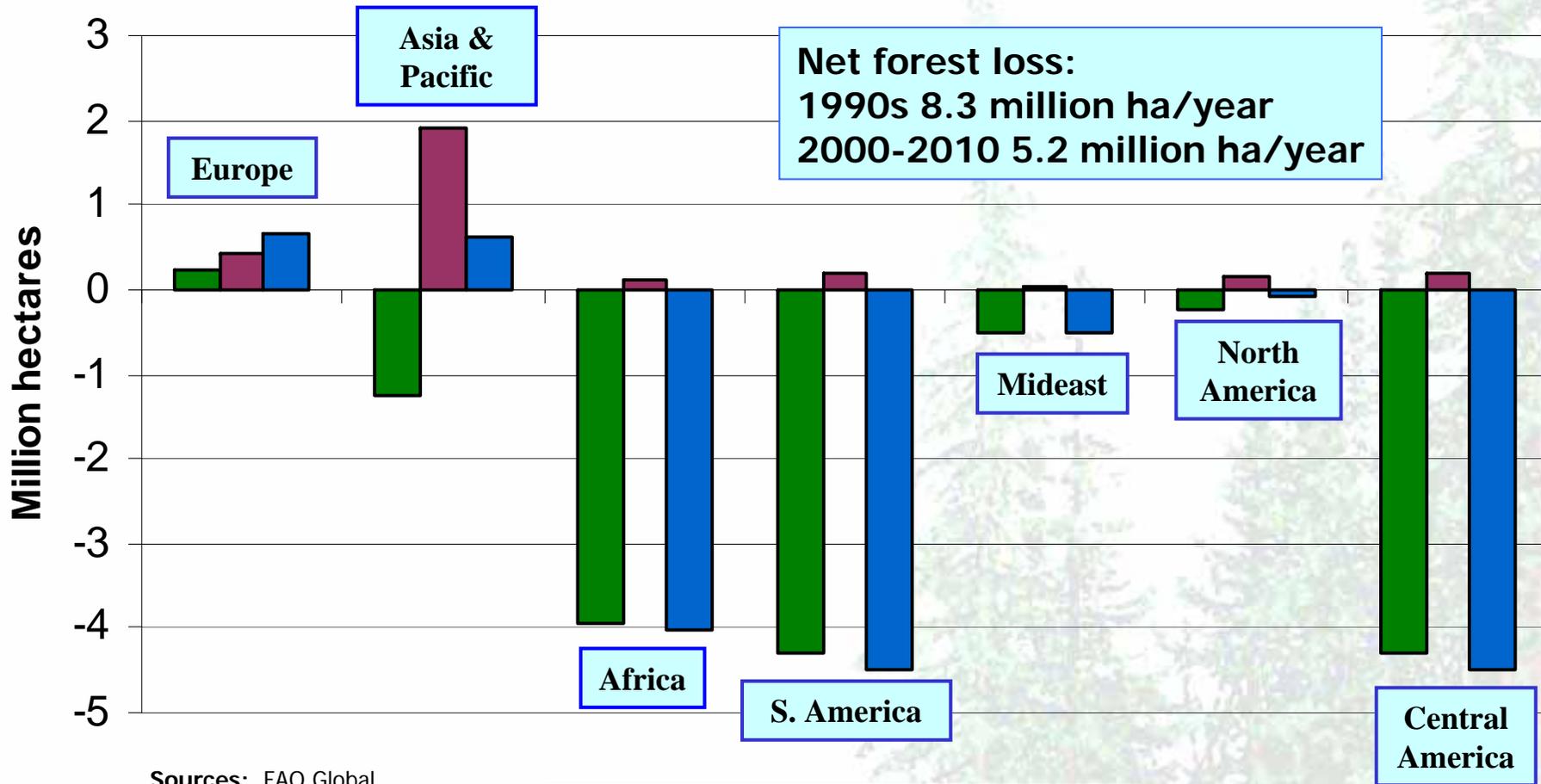
- Why's this important?
 - Trends in demand and supply of wood products
 - Geographical shifts in production, consumption and trade
 - Position of Europe in global markets
- What forest products?
 - Wood vs non-wood
 - Traditional and new products
- Topical issues
 - Traditional, e.g. trade disputes
 - New, e.g. subsidies for wood energy



II. Global forests and forest products



Forests and deforestation



Sources: FAO Global Forest Resources Assessments 2000, 2005, 2010

■ Natural ■ Plantation ■ Total



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Why deforestation?

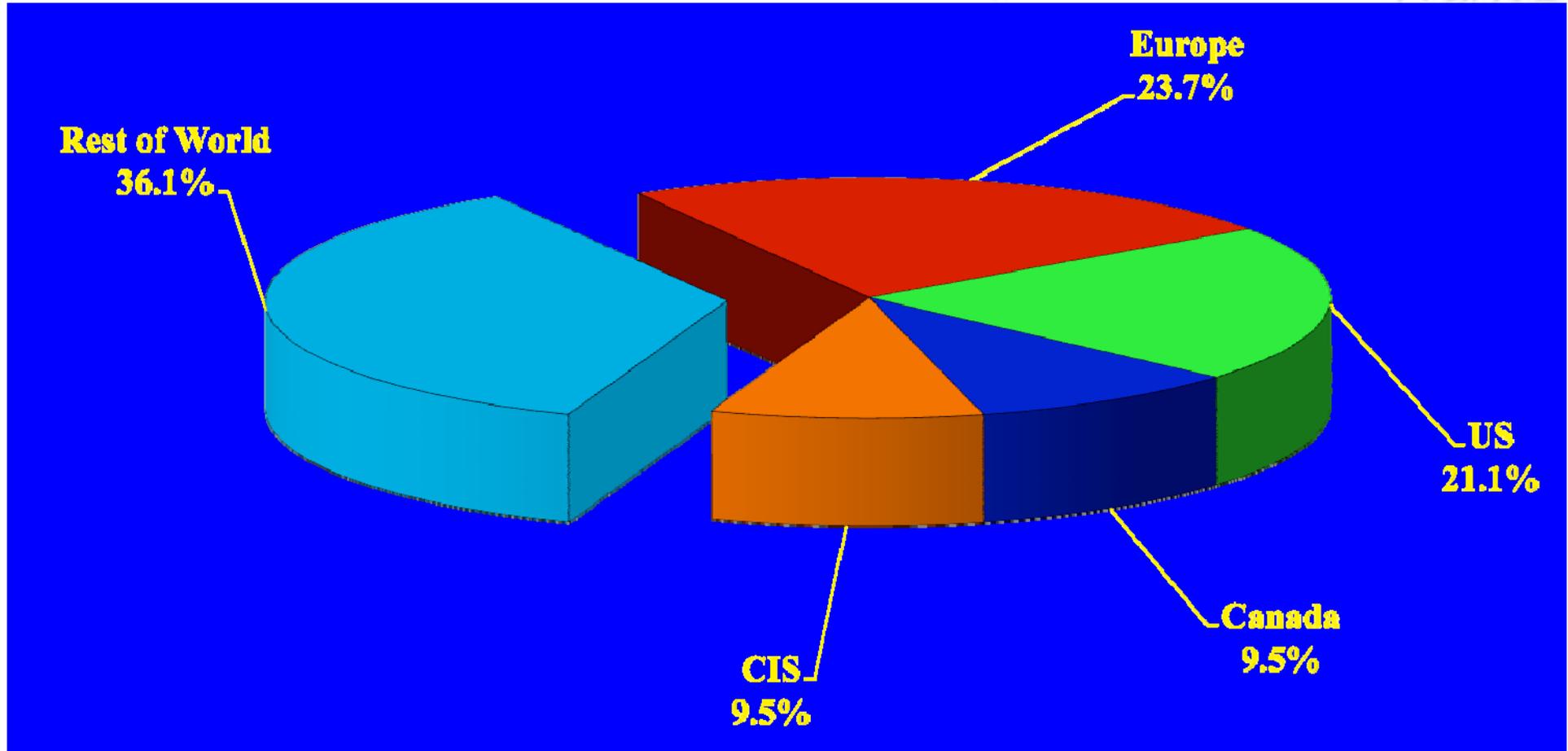
- Conversion to other uses: agriculture, palm oil, pasture, urbanization
- Fire, insects, disease
- Root causes: poverty, firewood, illegal logging
- Offset by plantations and natural expansion
- Positive trend of a negative issue



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Global roundwood harvests



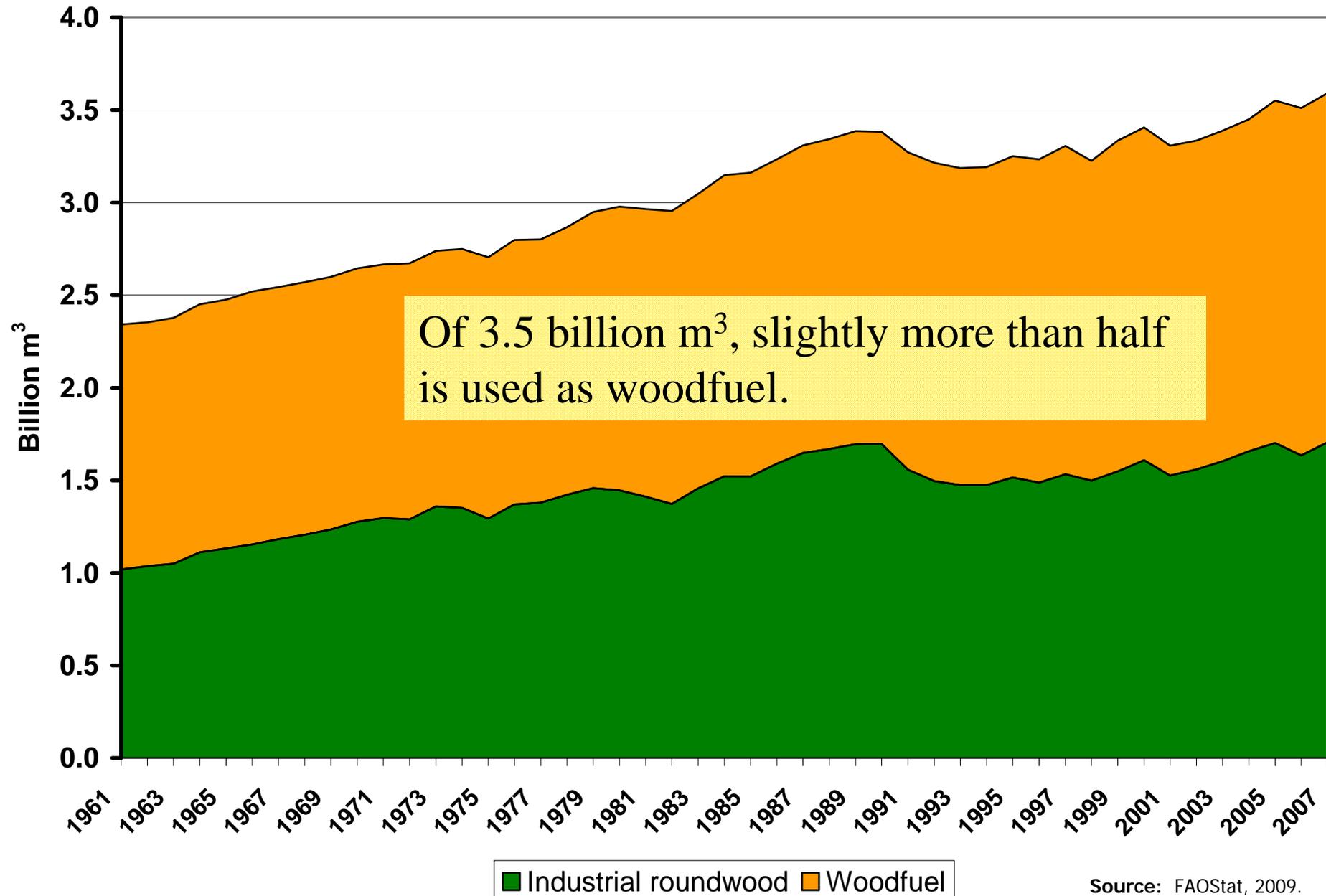
Source: *State of the World's Forests, 2009*, FAO.



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World roundwood vs fuelwood



Woodfuel use



Inefficient
domestic
heating and
cooking



Increasing in
developed world,
but efficient,
environmentally
sound combustion.



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Modern wood energy

- Efficient, clean combustion
- Carbon neutral
- Renewable energy
- Market outlet for low-grade fiber



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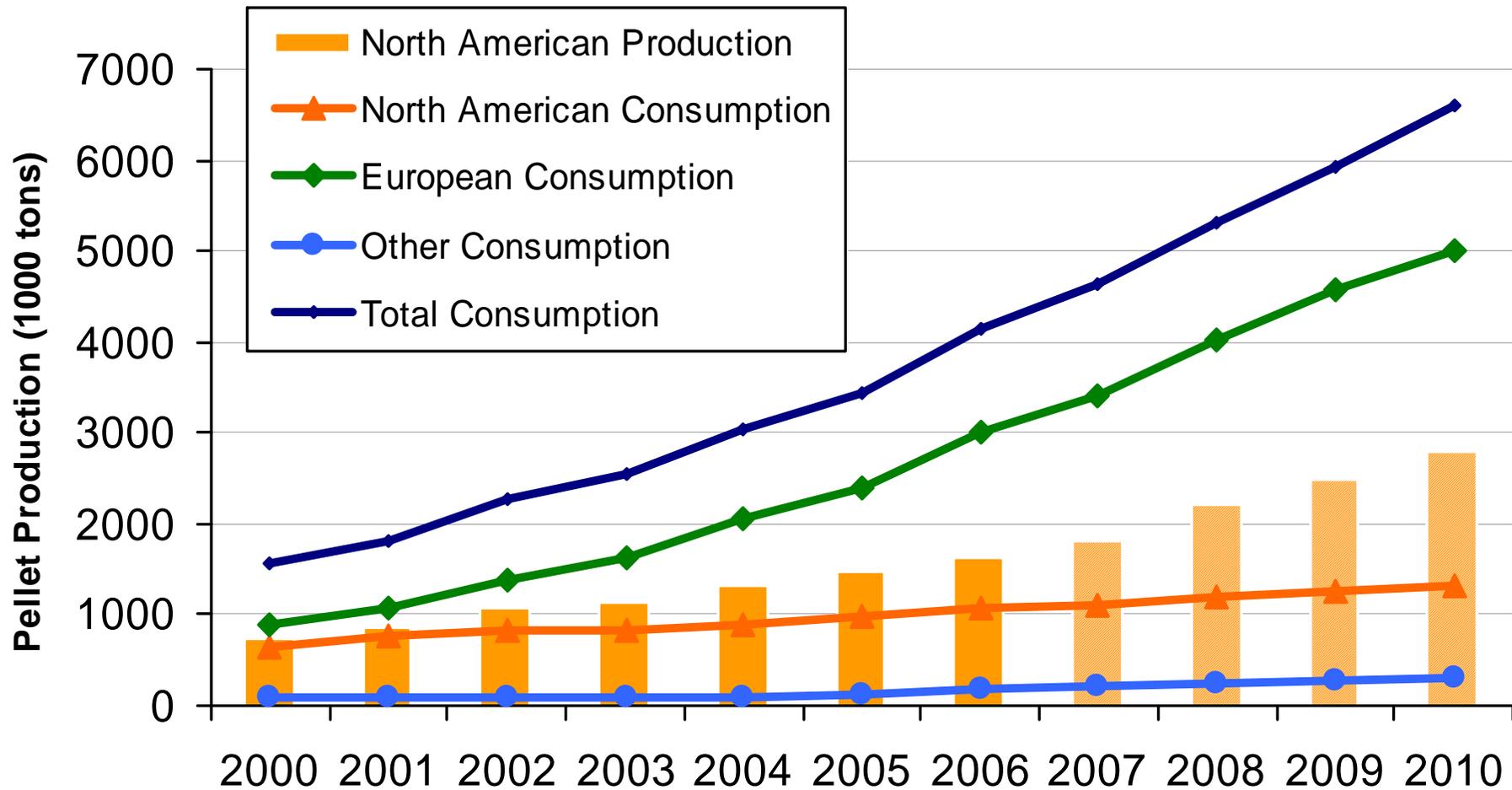


Modern wood energy

- Processed fuels
 - Not bulky firewood
 - Conveyable chips (high moisture)
 - Dry, high calorie pellets and briquettes
- Next...
 - Biorefineries: pulp, energy, chemicals
 - Liquid and gaseous fuels



Production and consumption of wood pellets

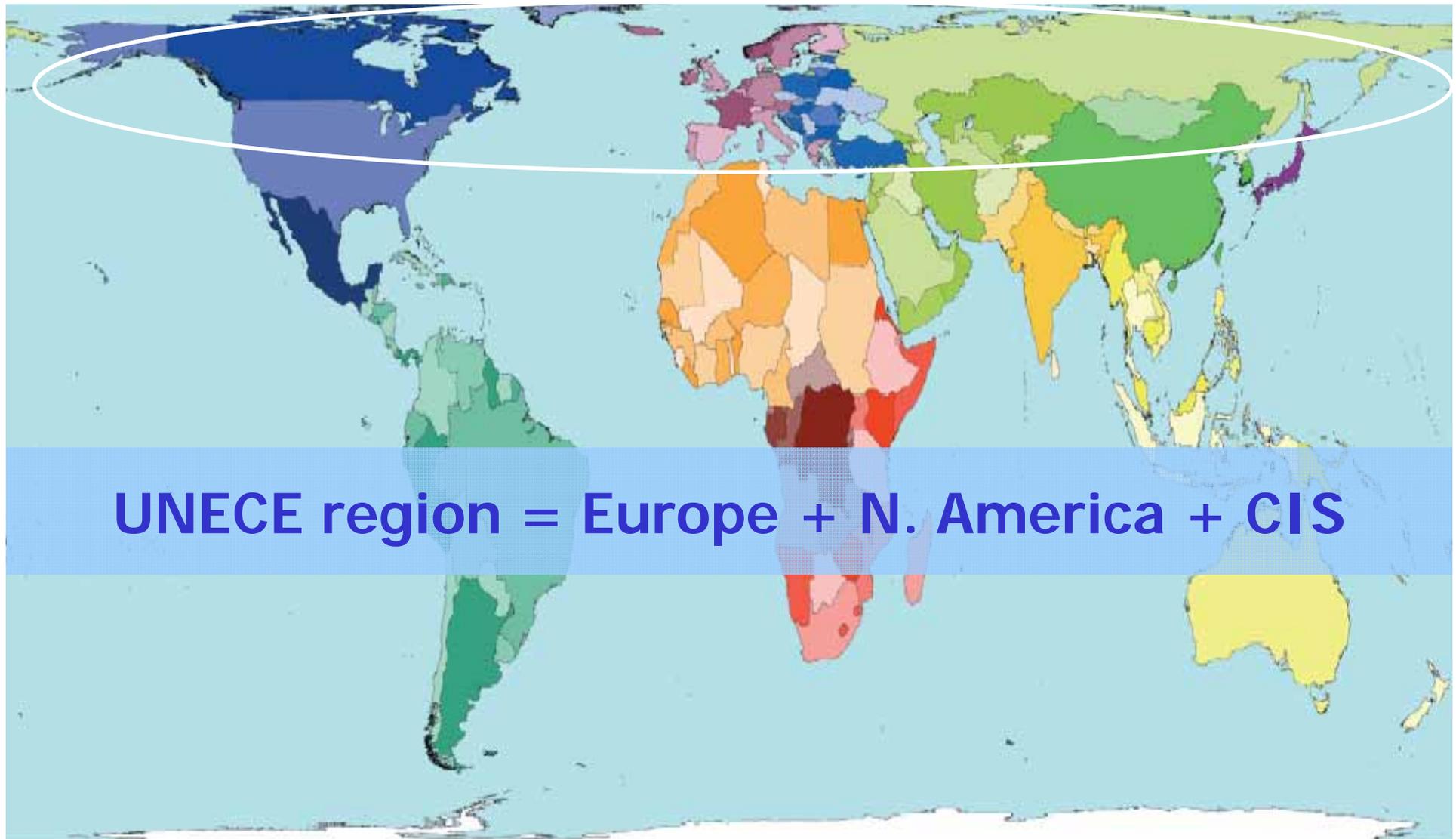


Source: UNECE/FAO
Forest Products Annual
Market Review, 2008- 2009.



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UNECE region = Europe + N. America + CIS

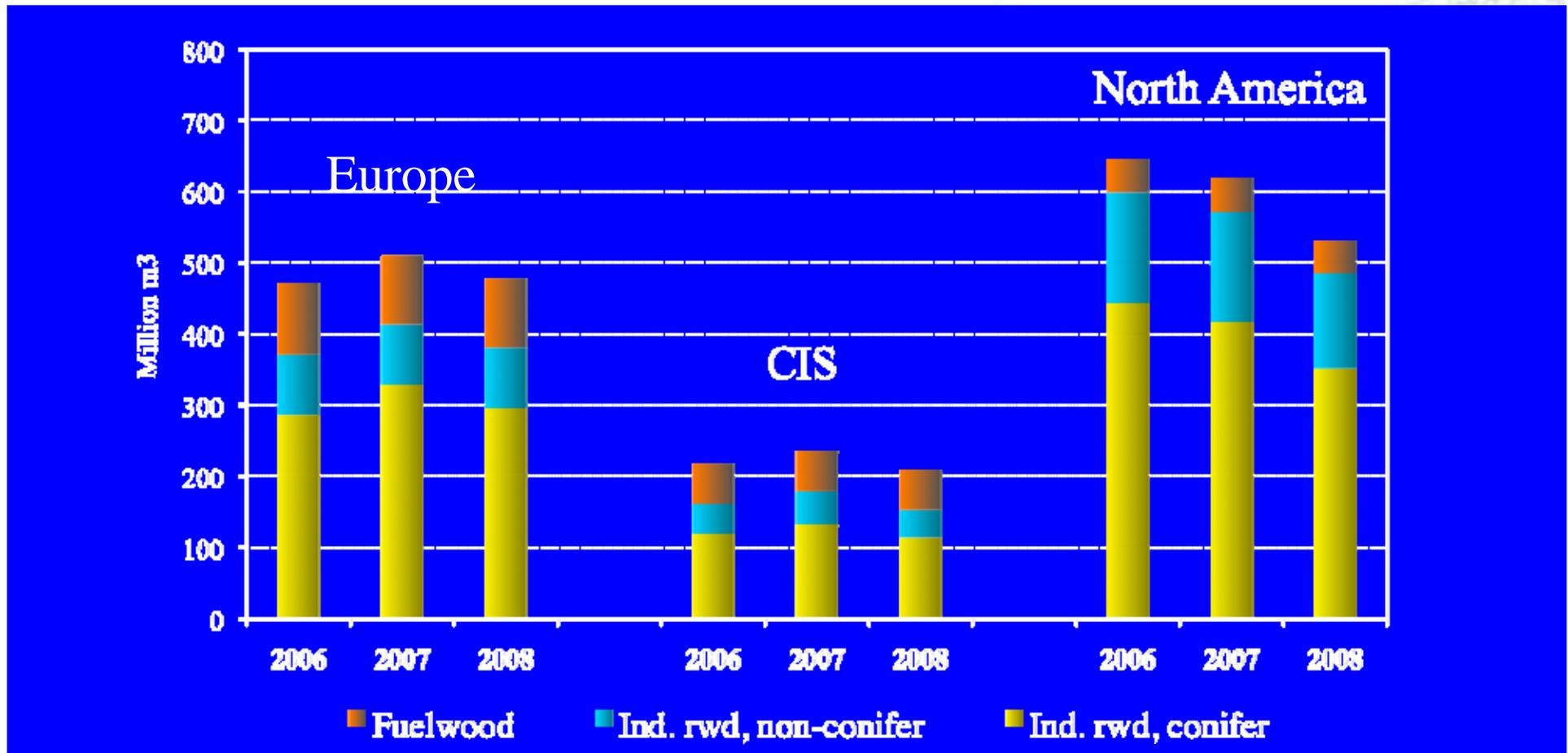
Source: Worldmapper



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UNECE roundwood harvests trends



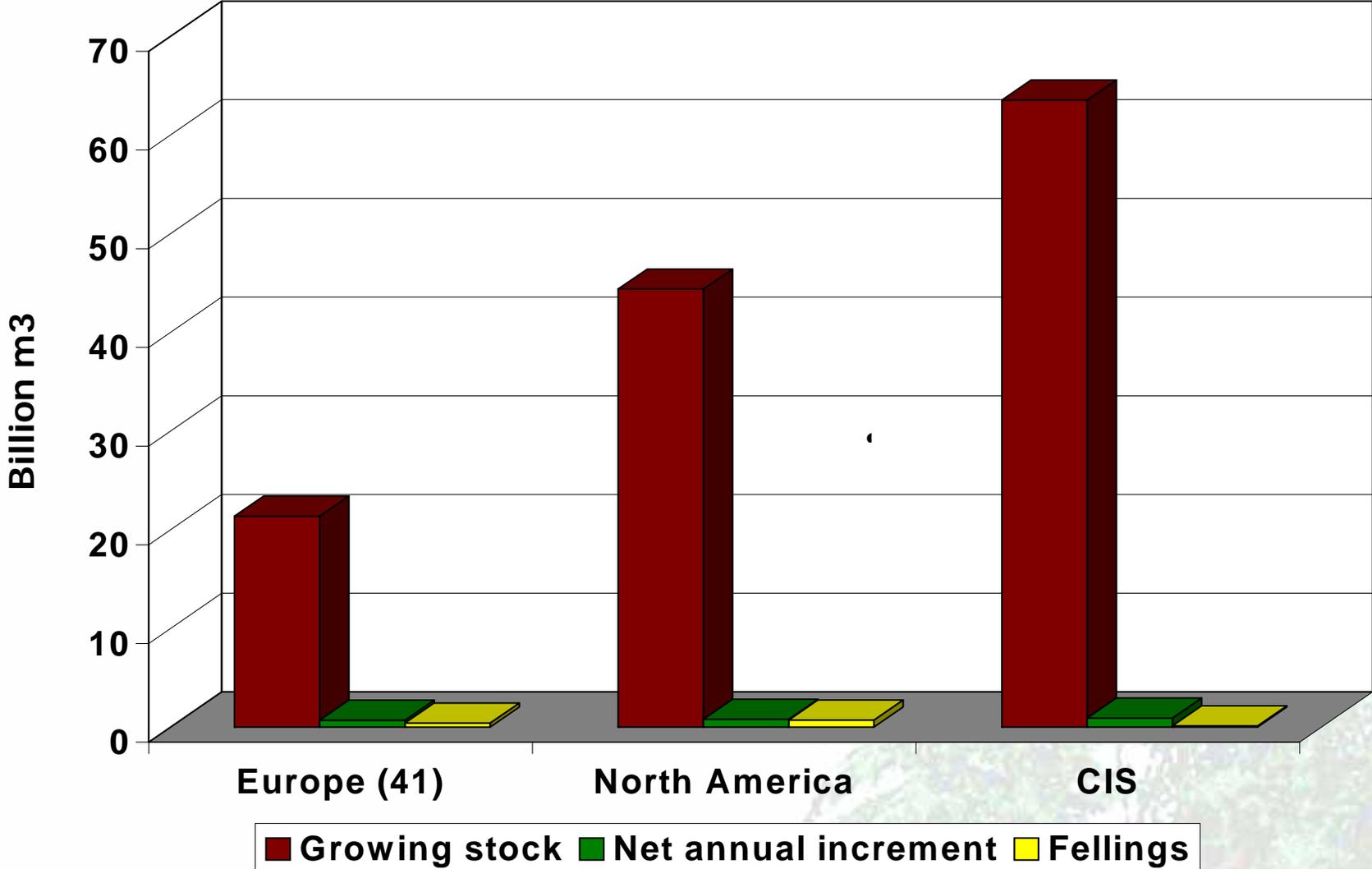
Source: UNECE/FAO
TIMBER Database, 2009.



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Forest resources growing stock



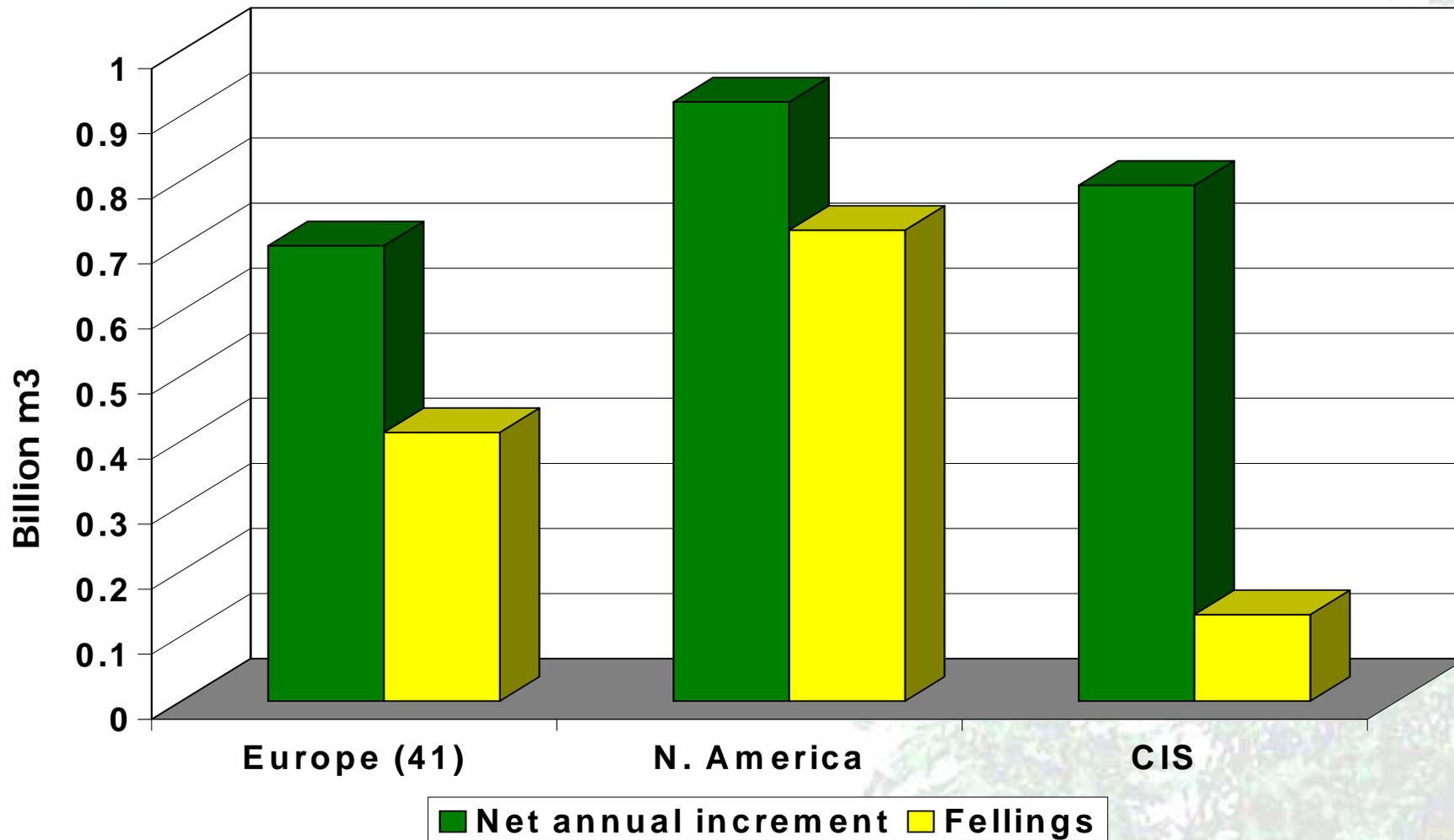
Source: *Temperate and Boreal Forest Resources Assessment 2000*



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Net annual growth vs fellings



Source: *Temperate and Boreal Forest Resources Assessment 2000*



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Forests increasing in UNECE region

	Fellings as % of annual growth
Central Europe	61%
Nordics & Baltics	72%
Northwest Europe	53%
Southeast Europe	45%
EU 27	60%
Russia	34%
North America	80%

Sources: *State of the World's Forests*, 2007 and UNECE/FAO Forest Resources Assessment



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Increasing forests & increasing demands

- Increasing demand for paper and paper products, e.g. packaging
- Increasing demand for wood products
- Increasing demand for wood energy
- = competition!
- Where will wood come from?



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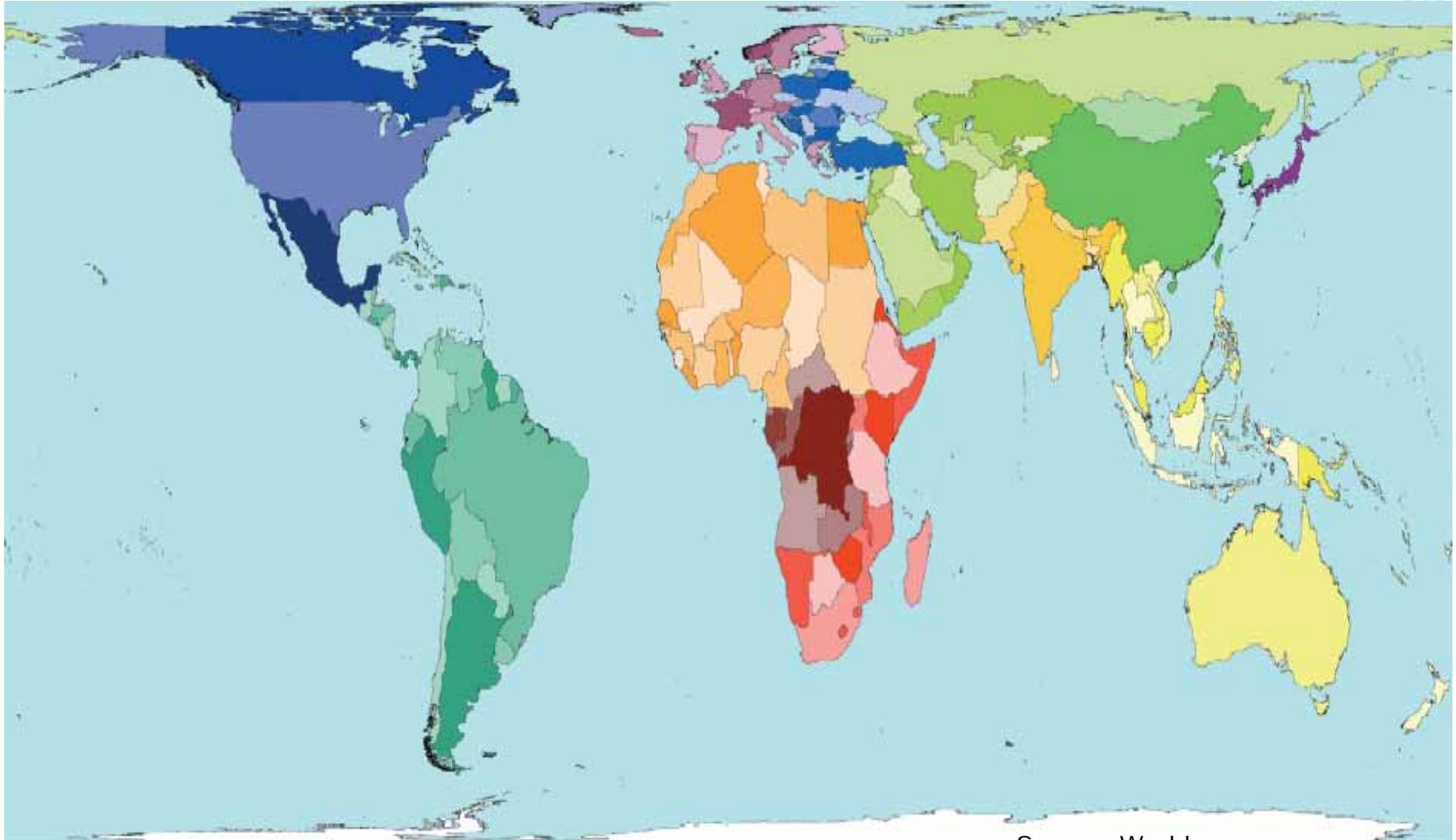
III. Consumption and production



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World shaped by political boundaries



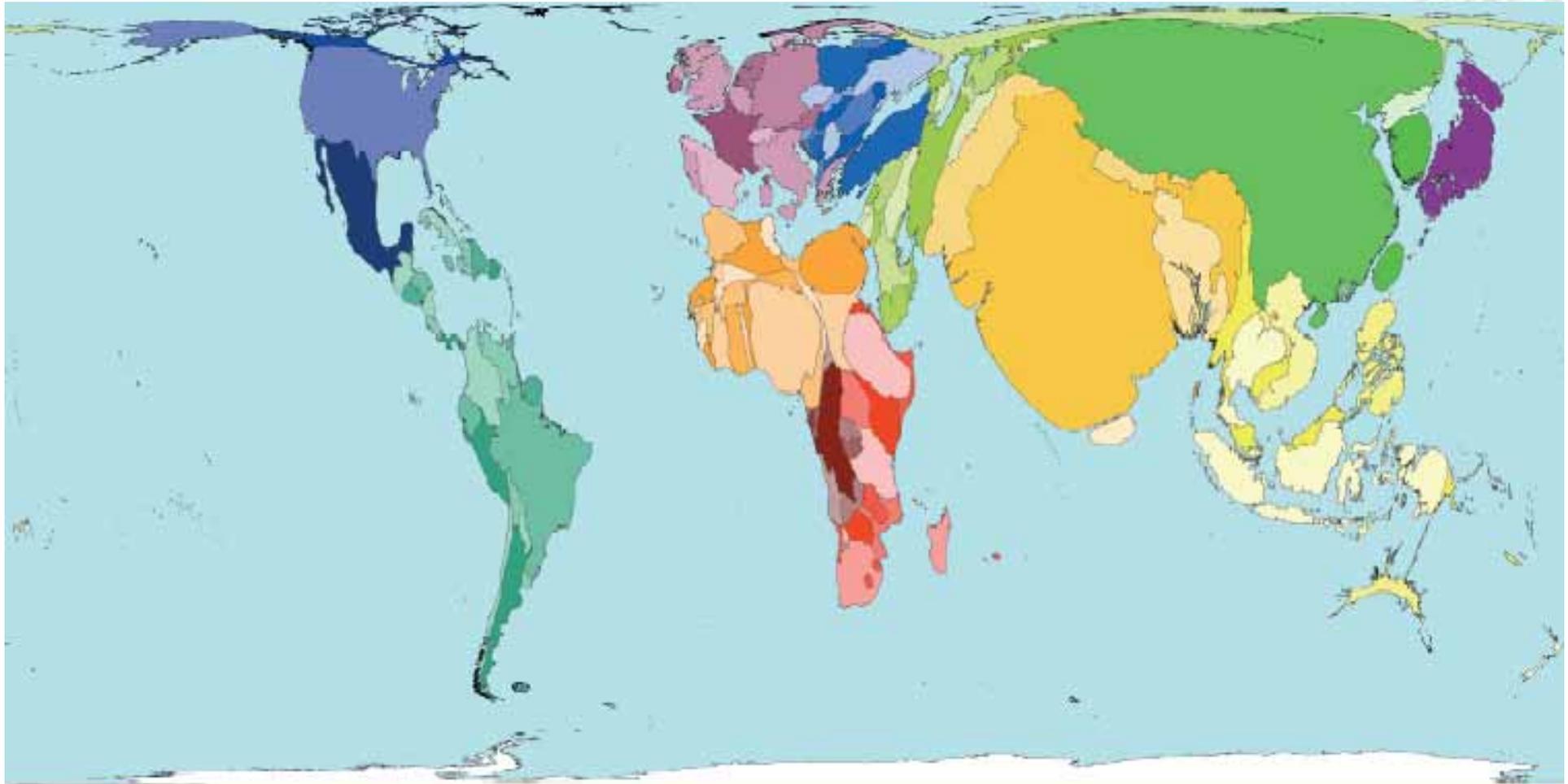
Source: Worldmapper



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World shaped by population



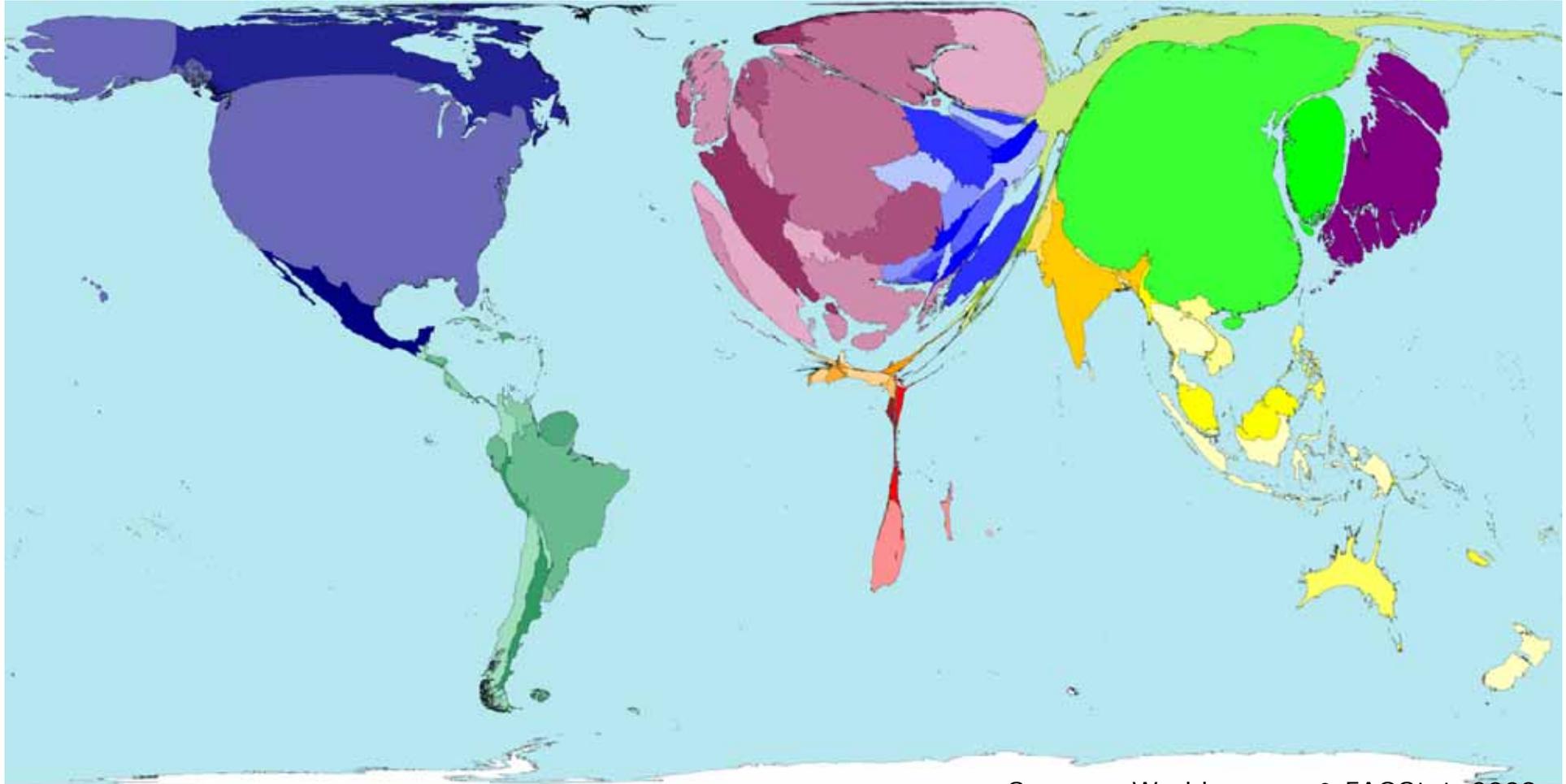
Source: Worldmapper, 2009



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World shaped by forest products production



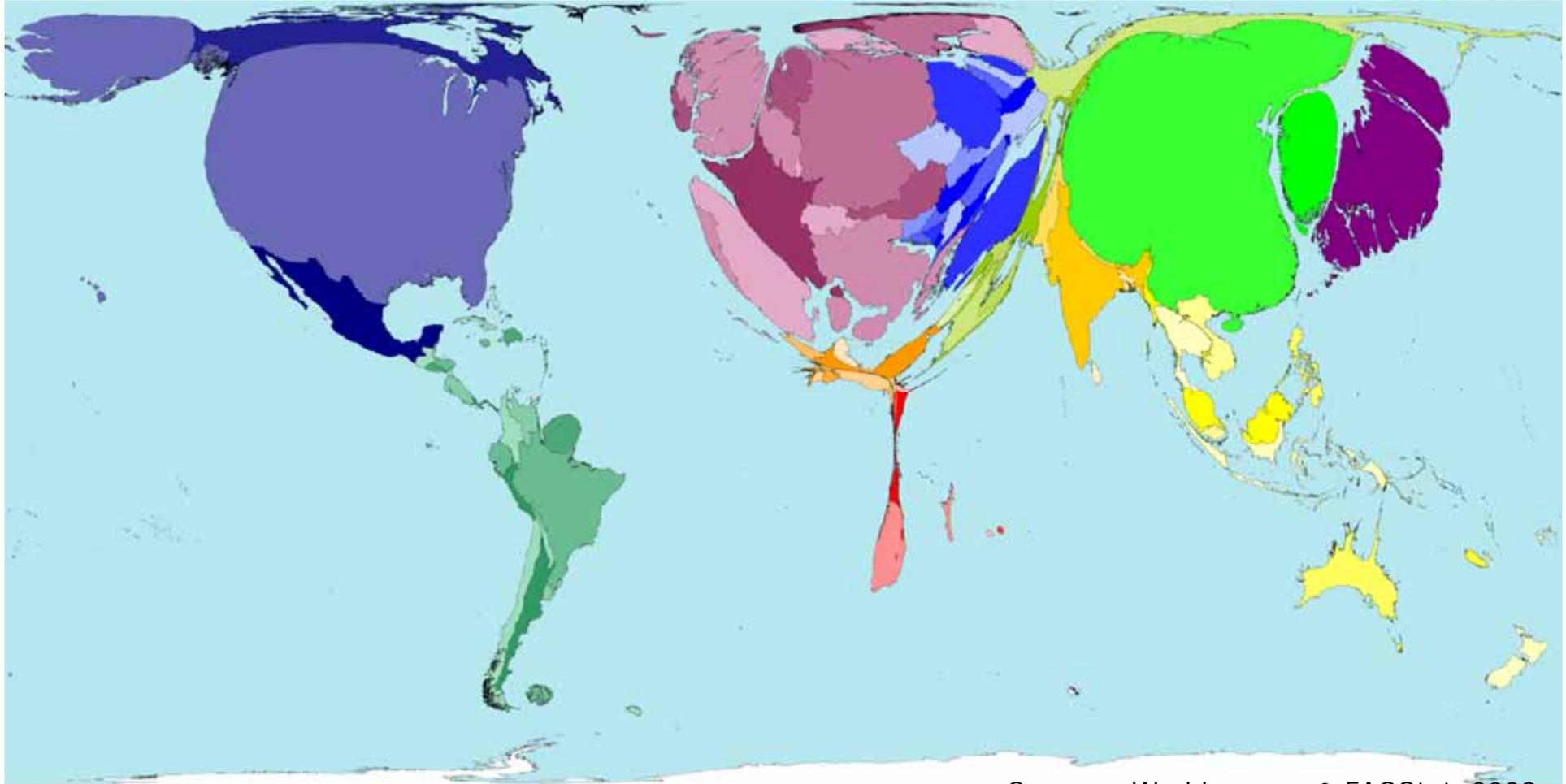
Sources: Worldmapper & FAOStat, 2009



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World shaped by wood and paper consumption



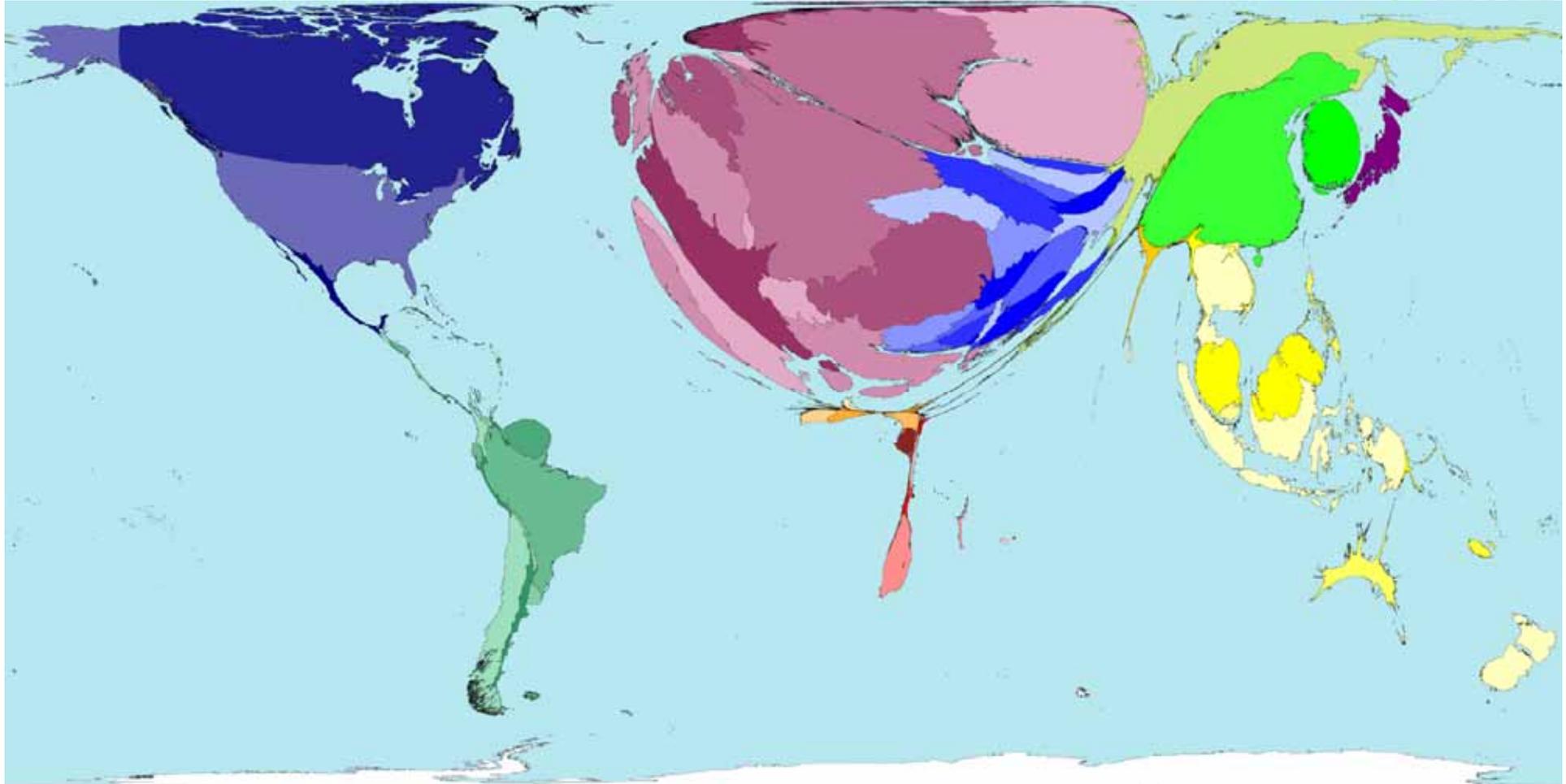
Sources: Worldmapper & FAOStat, 2009



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As shaped by forest products exports



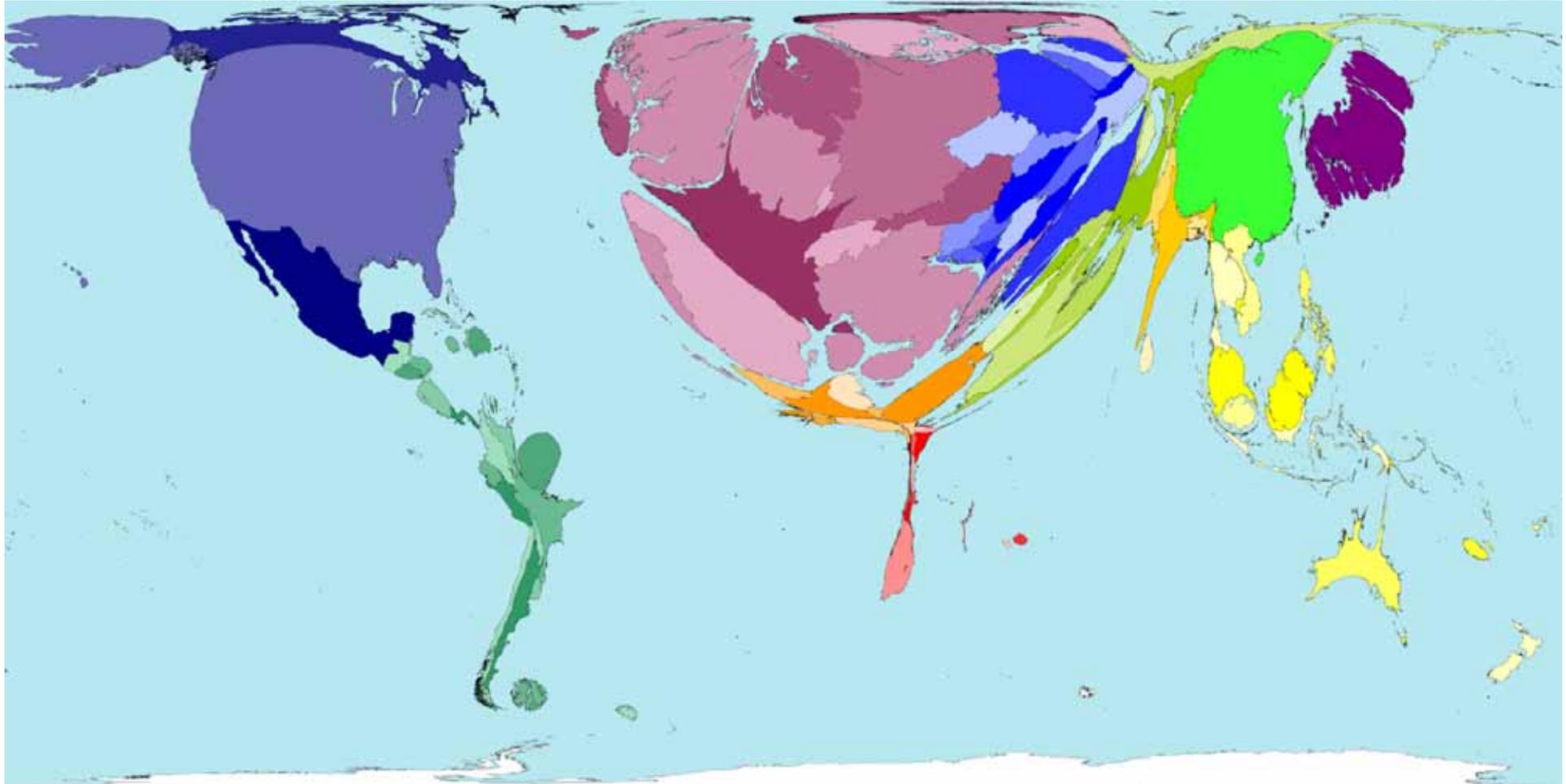
Sources: Worldmapper & FAOStat, 2009



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As shaped by forest products imports



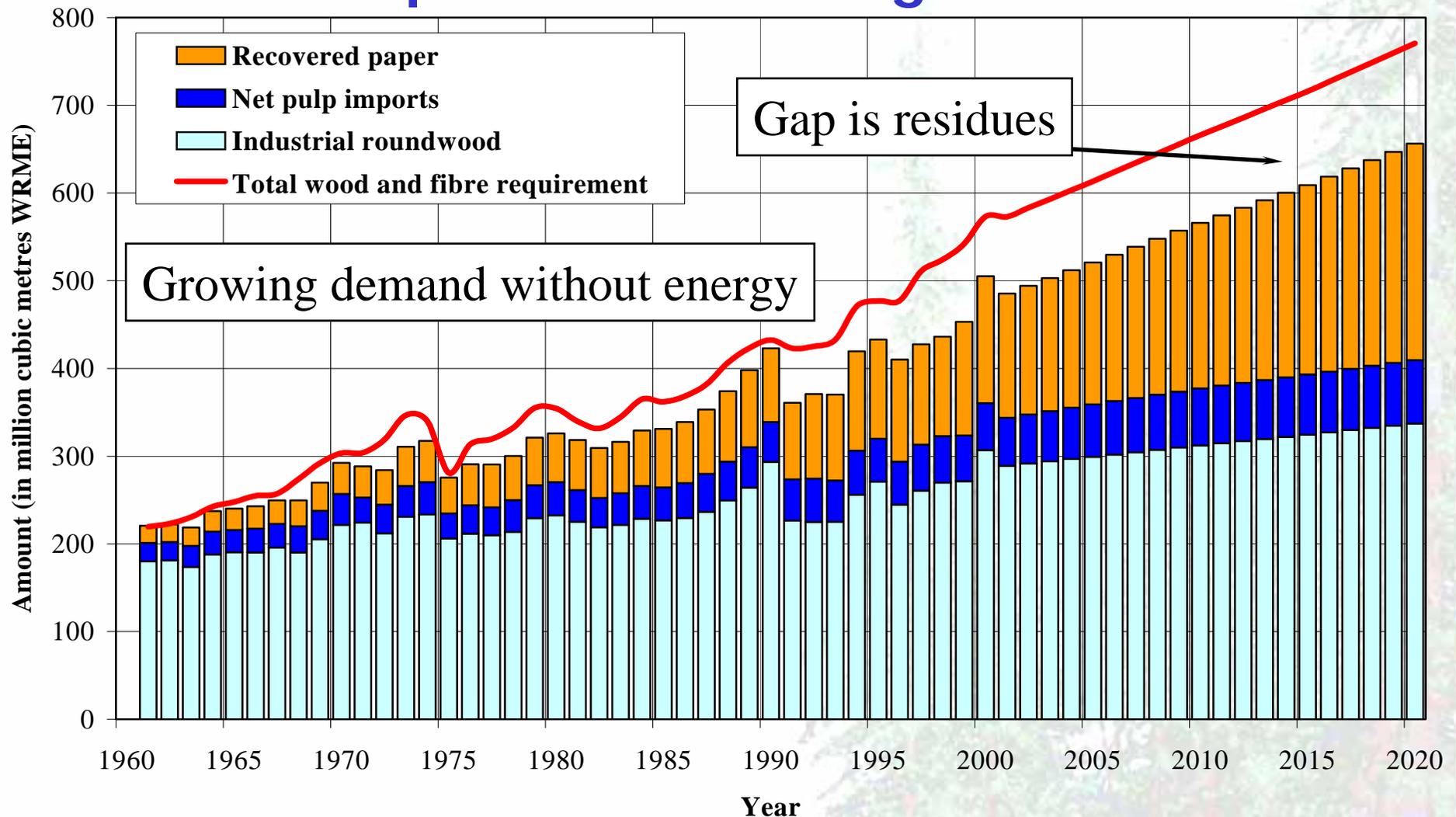
Sources: Worldmapper & FAOStat, 2009



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Western European wood and fiber requirements through 2020



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Source: UNECE/FAO
European Forest Sector
Outlook Study, 2005

Industrial roundwood consumption



Source: FAOStat, 2010



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Industrial roundwood production



Source: FAOStat, 2010



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Sawnwood consumption



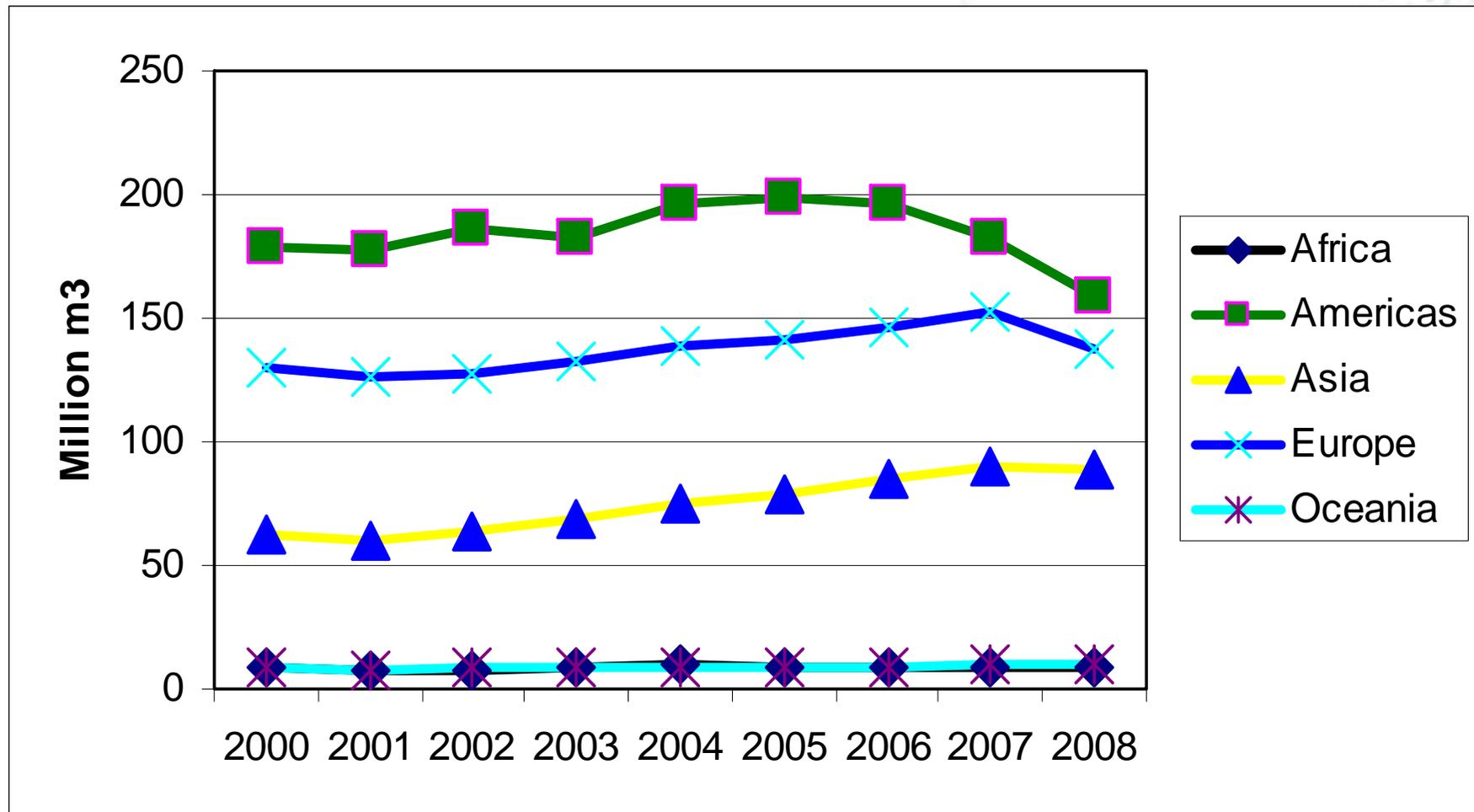
Source: FAOStat, 2010



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Sawnwood production



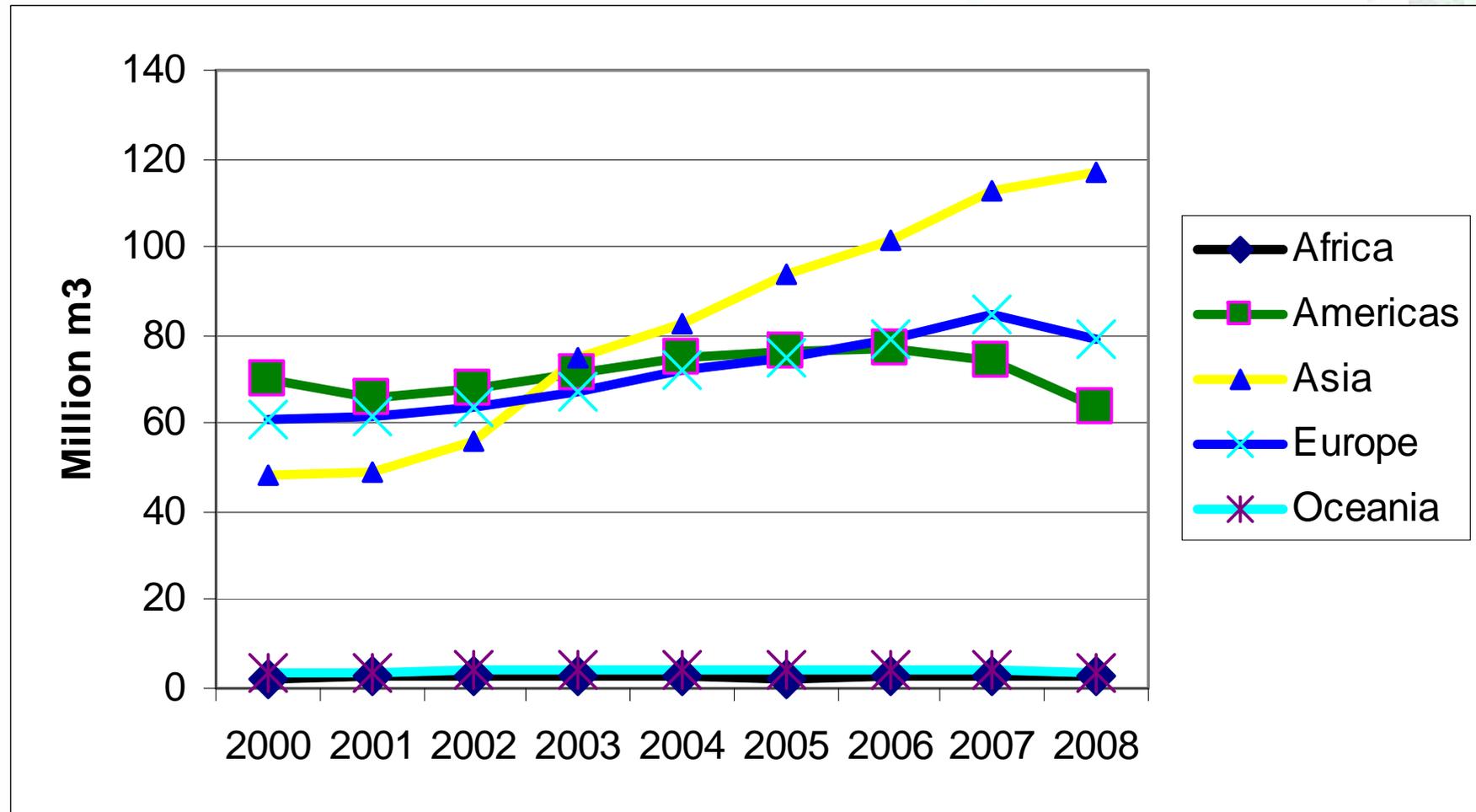
Source: FAOStat, 2010



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Panels production



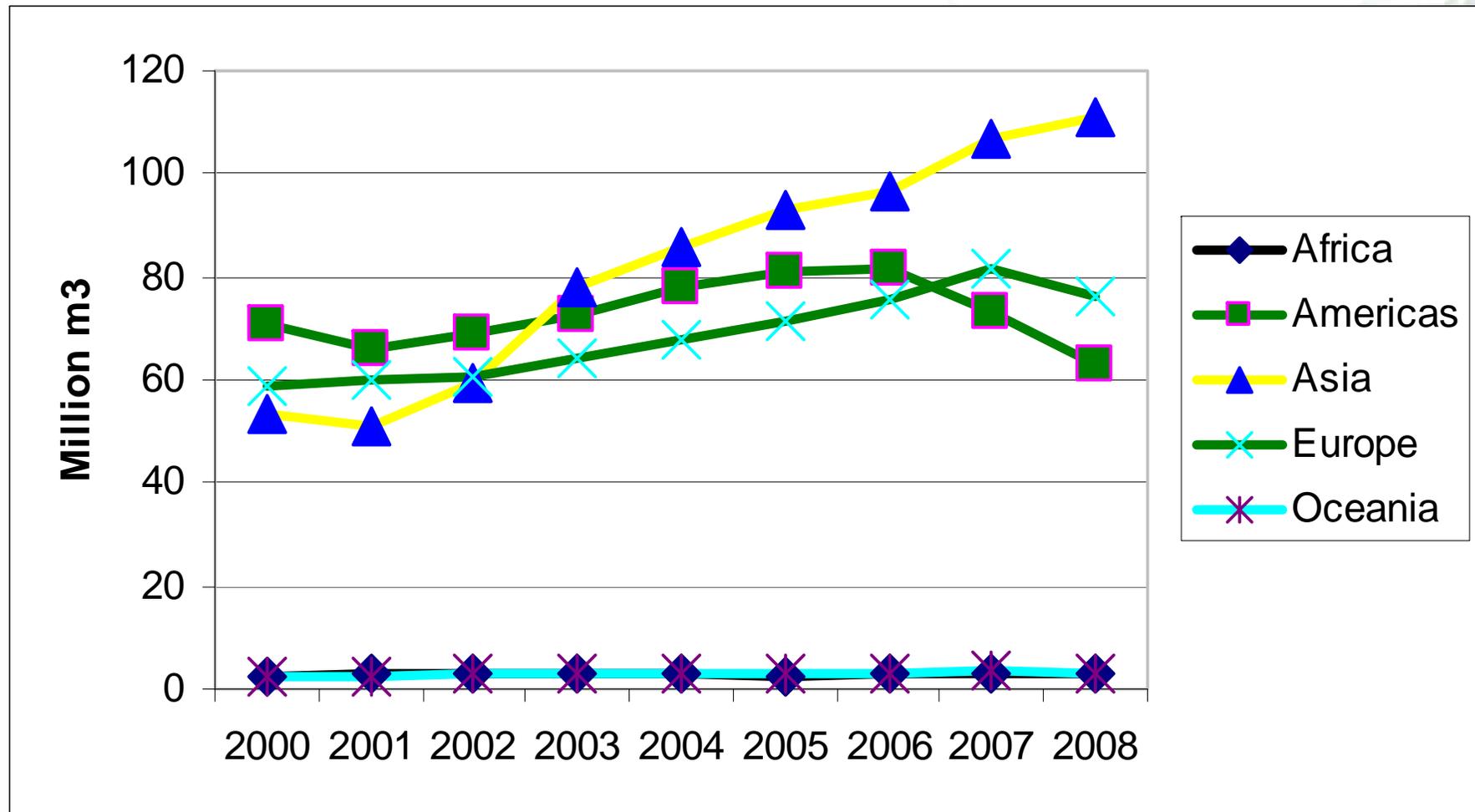
Source: FAOStat, 2010



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Panels consumption



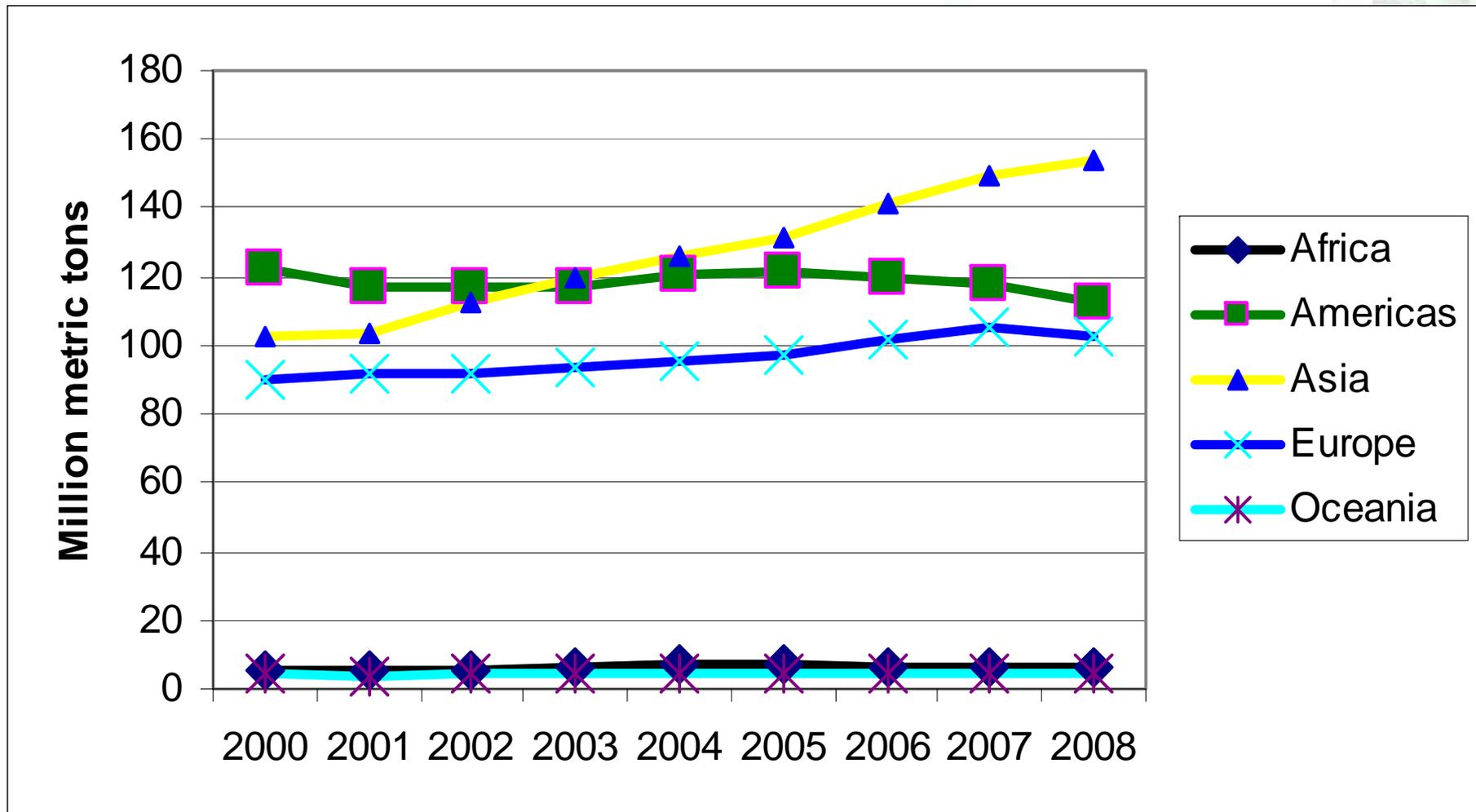
Source: FAOStat, 2010



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Paper & paperboard consumption



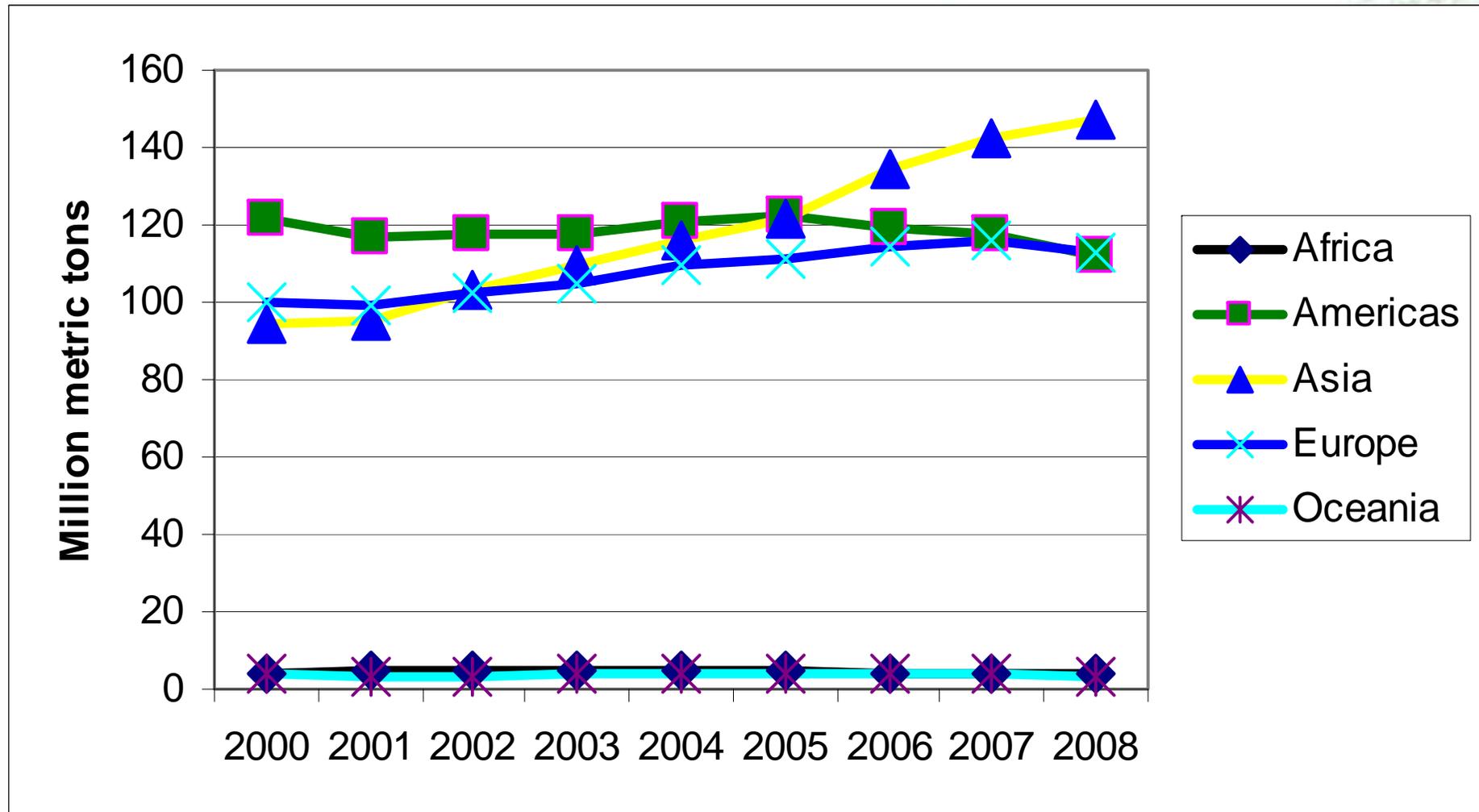
Source: FAOStat, 2010



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Paper & paperboard production



Source: FAOStat, 2010



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**What happens when supply
does not equal demand?**

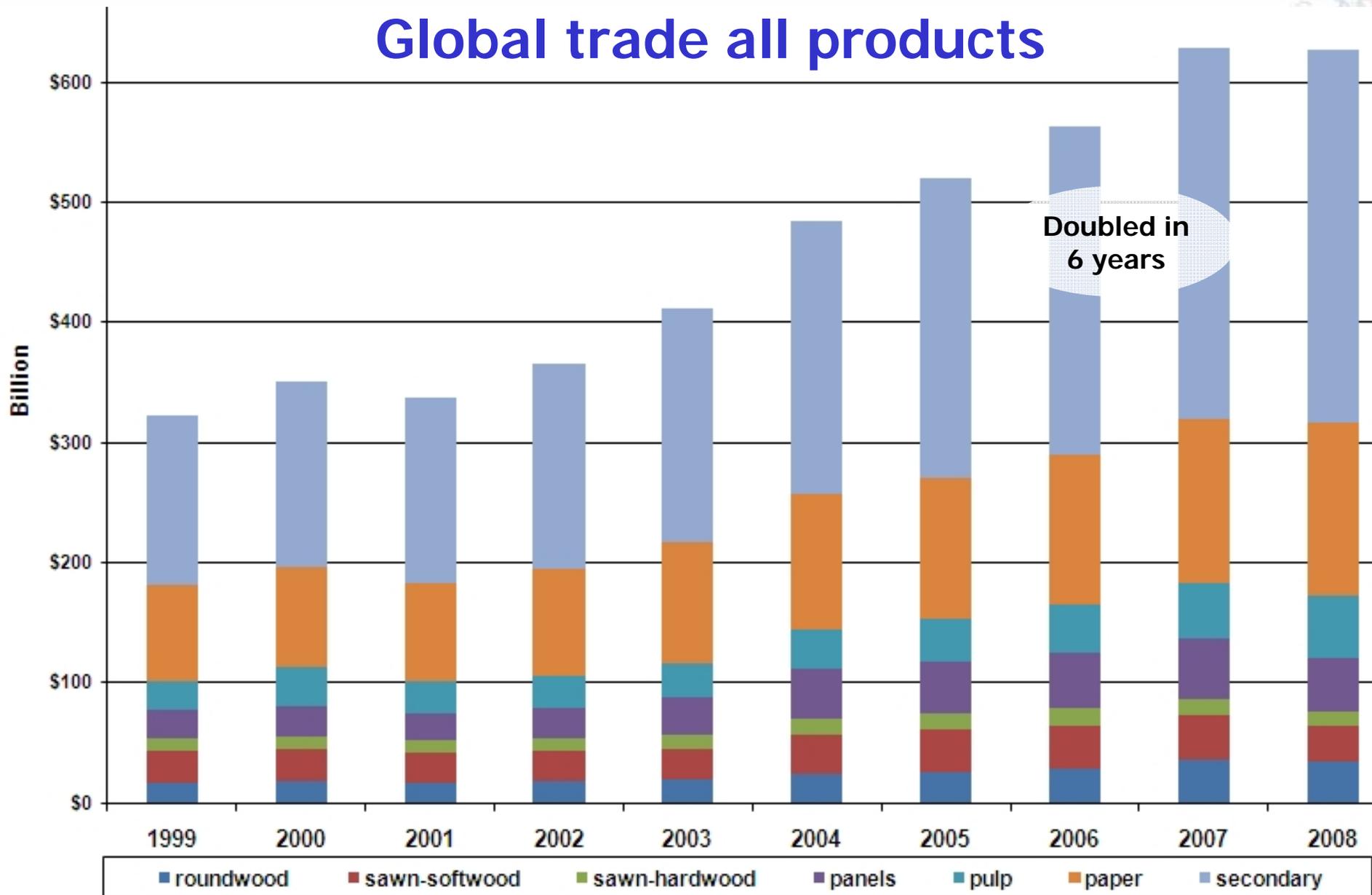
IV. Trade



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Global trade all products



Source: FAOStat, 2010

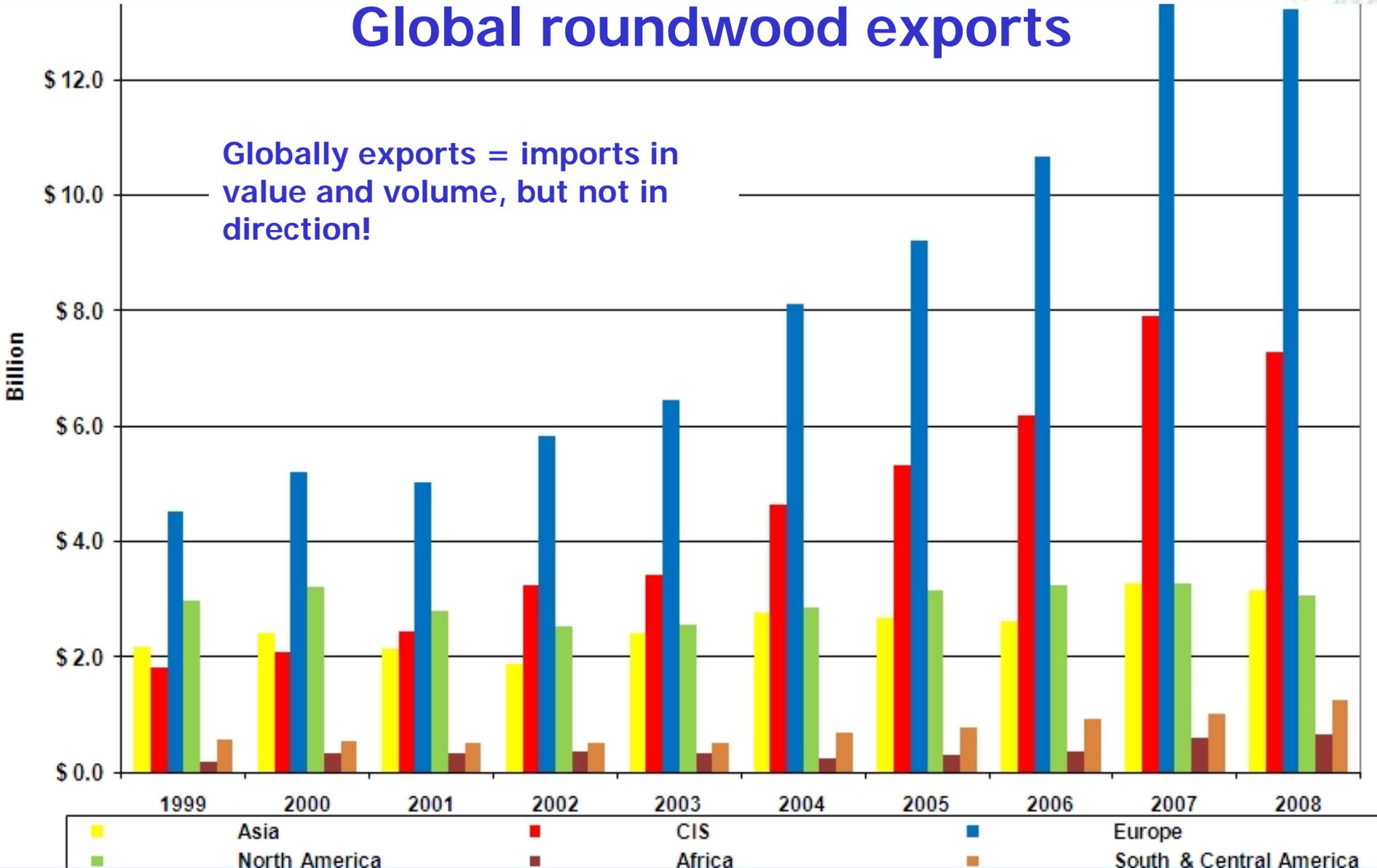


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Global roundwood exports

Globally exports = imports in value and volume, but not in direction!



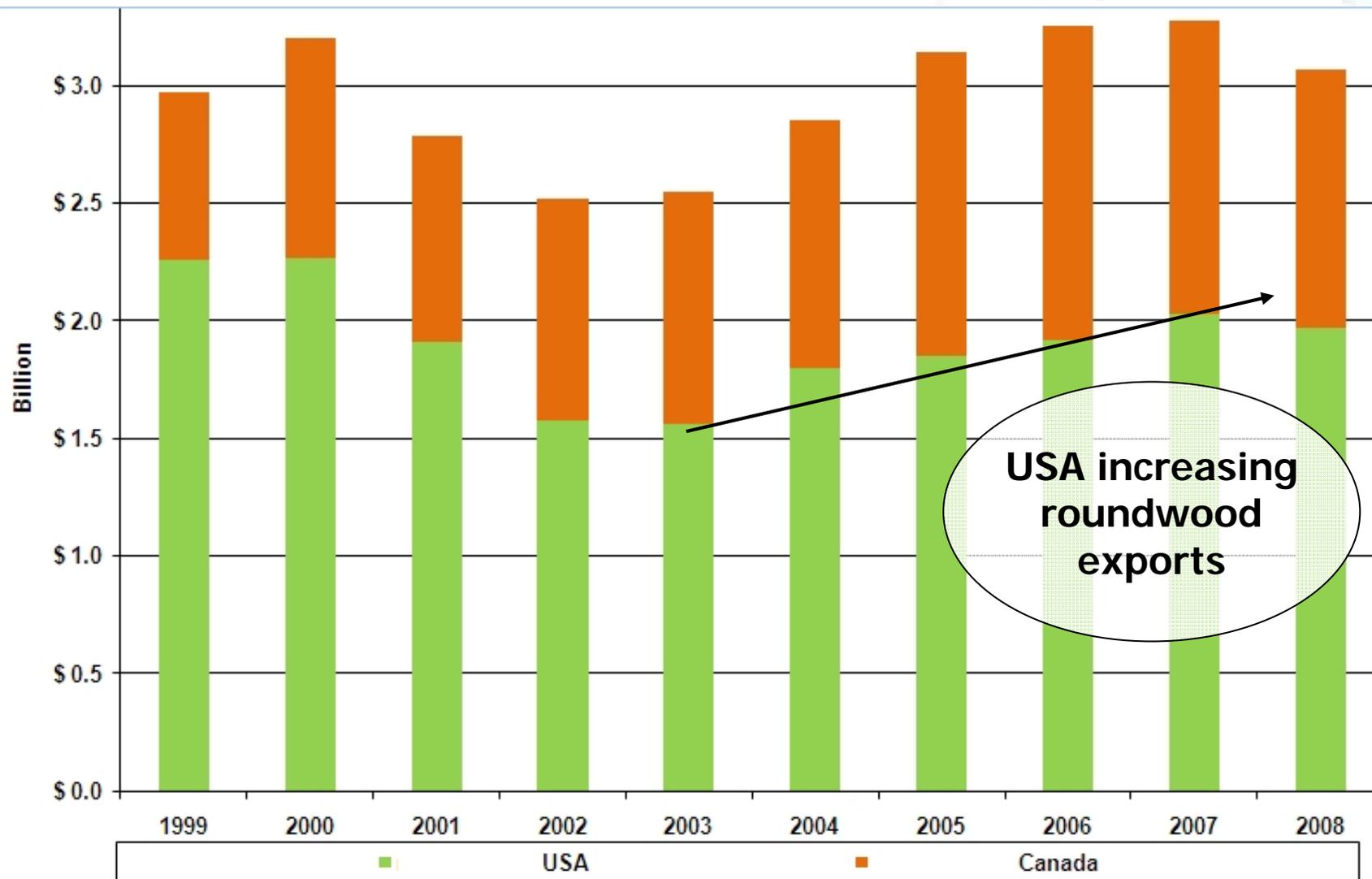
Source: FAOStat, 2010



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N. American roundwood exports



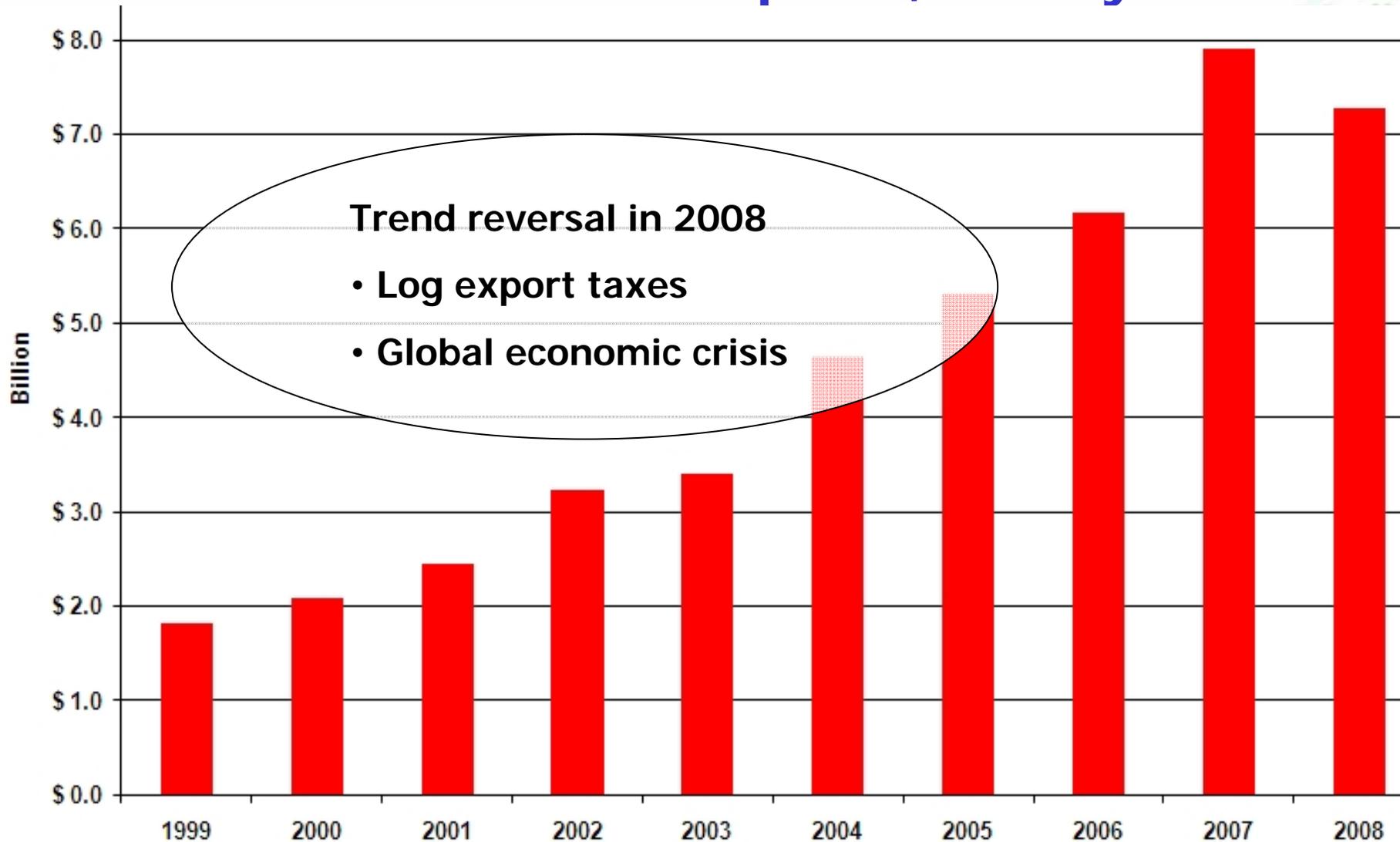
Source: FAOStat, 2010



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CIS roundwood exports, mainly Russia



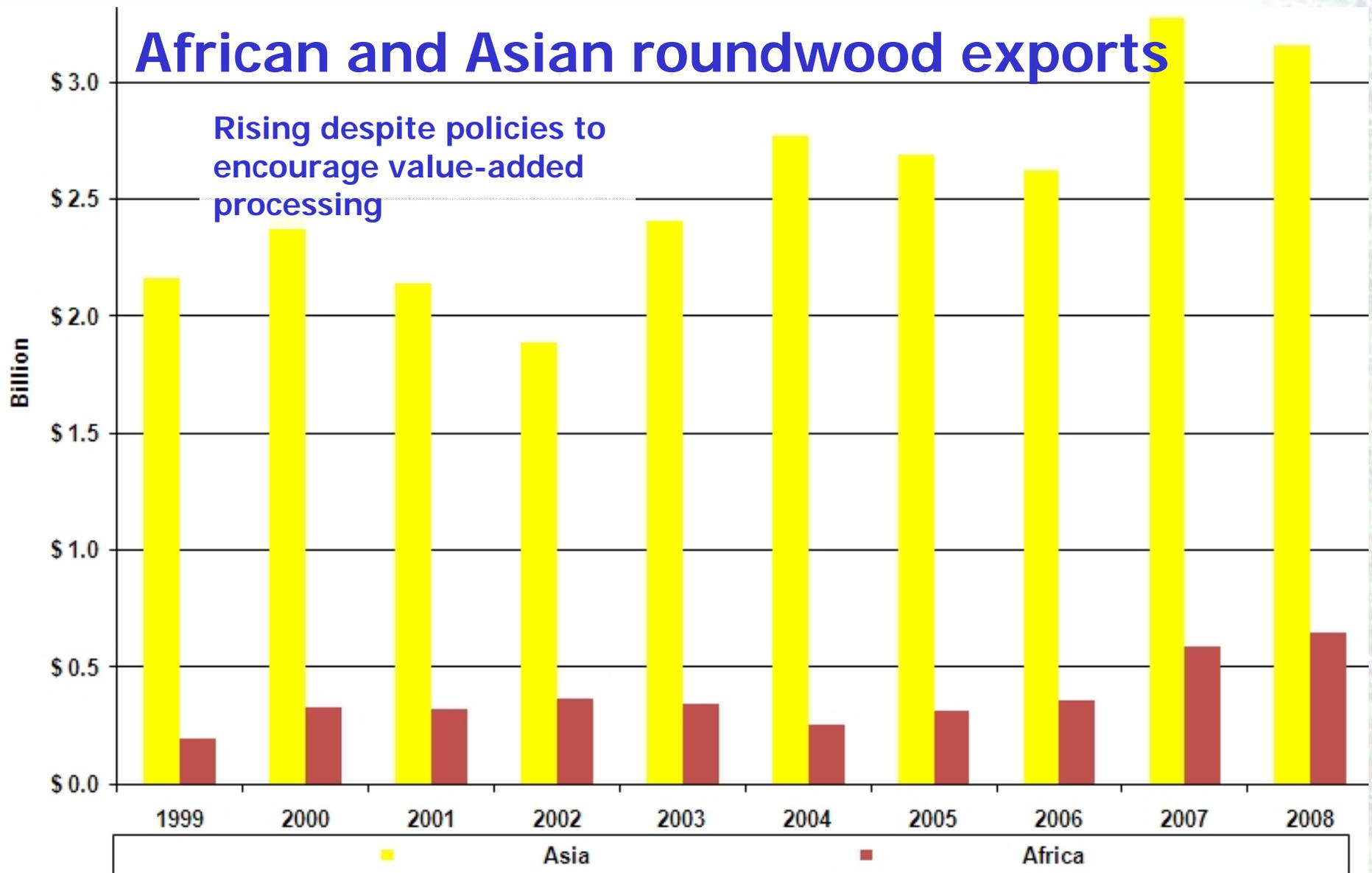
Source: FAOStat, 2010



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African and Asian roundwood exports

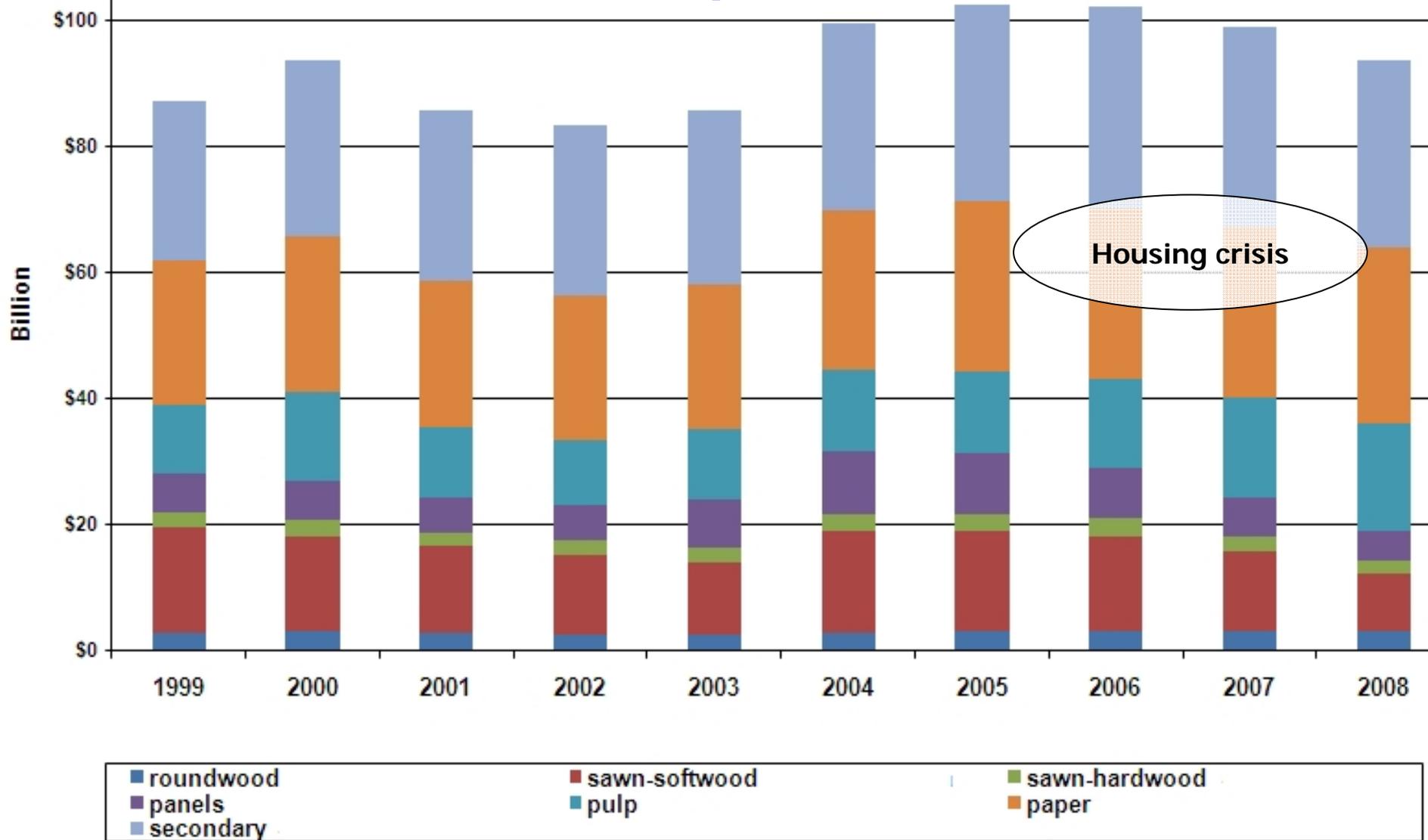


Source: FAOStat, 2010

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North American exports



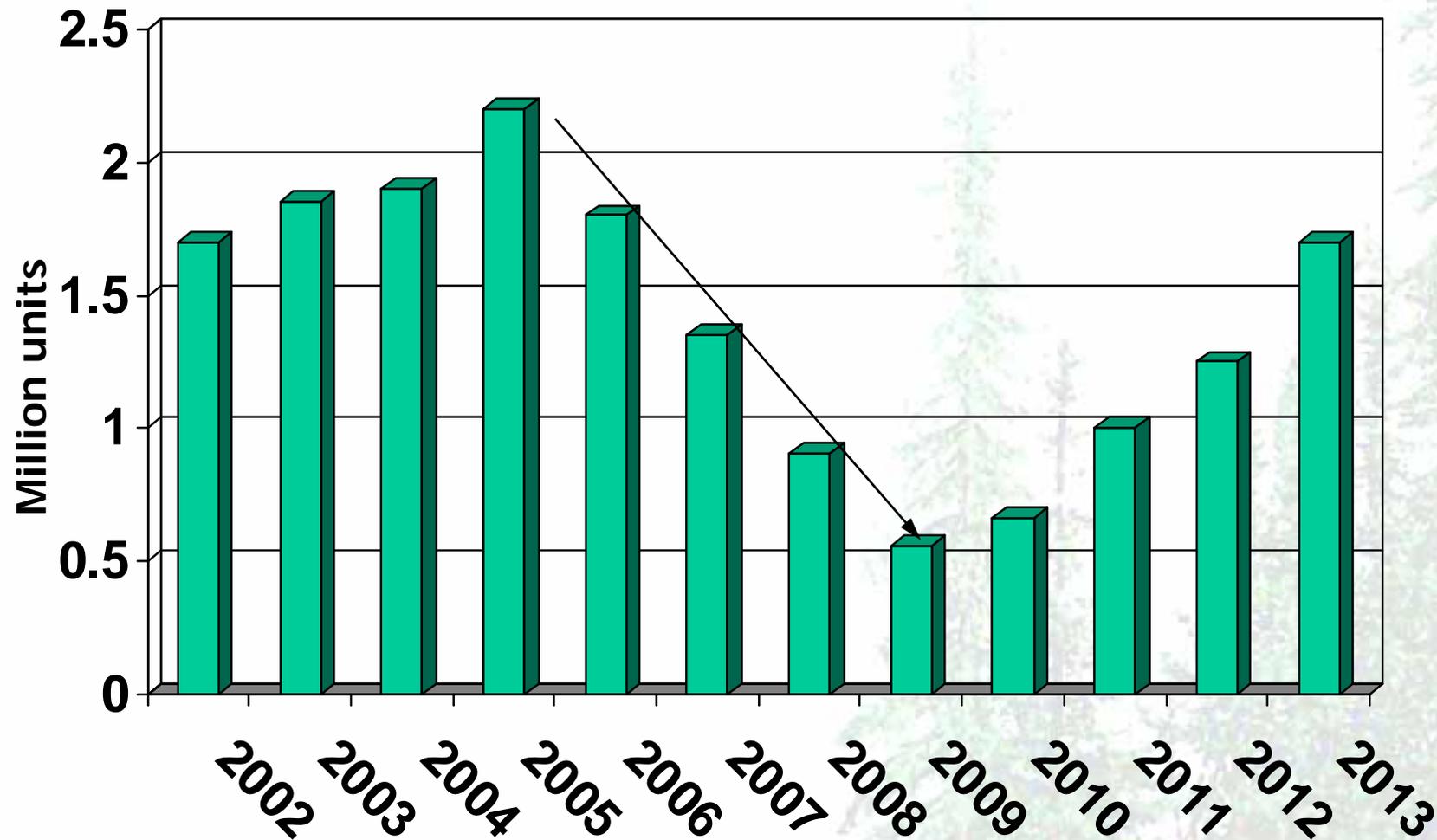
Source: FAOStat, 2010



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US housing starts, 2002-2013



Source: APA – The Engineered Wood Association, 2009



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Impacts of US housing crisis

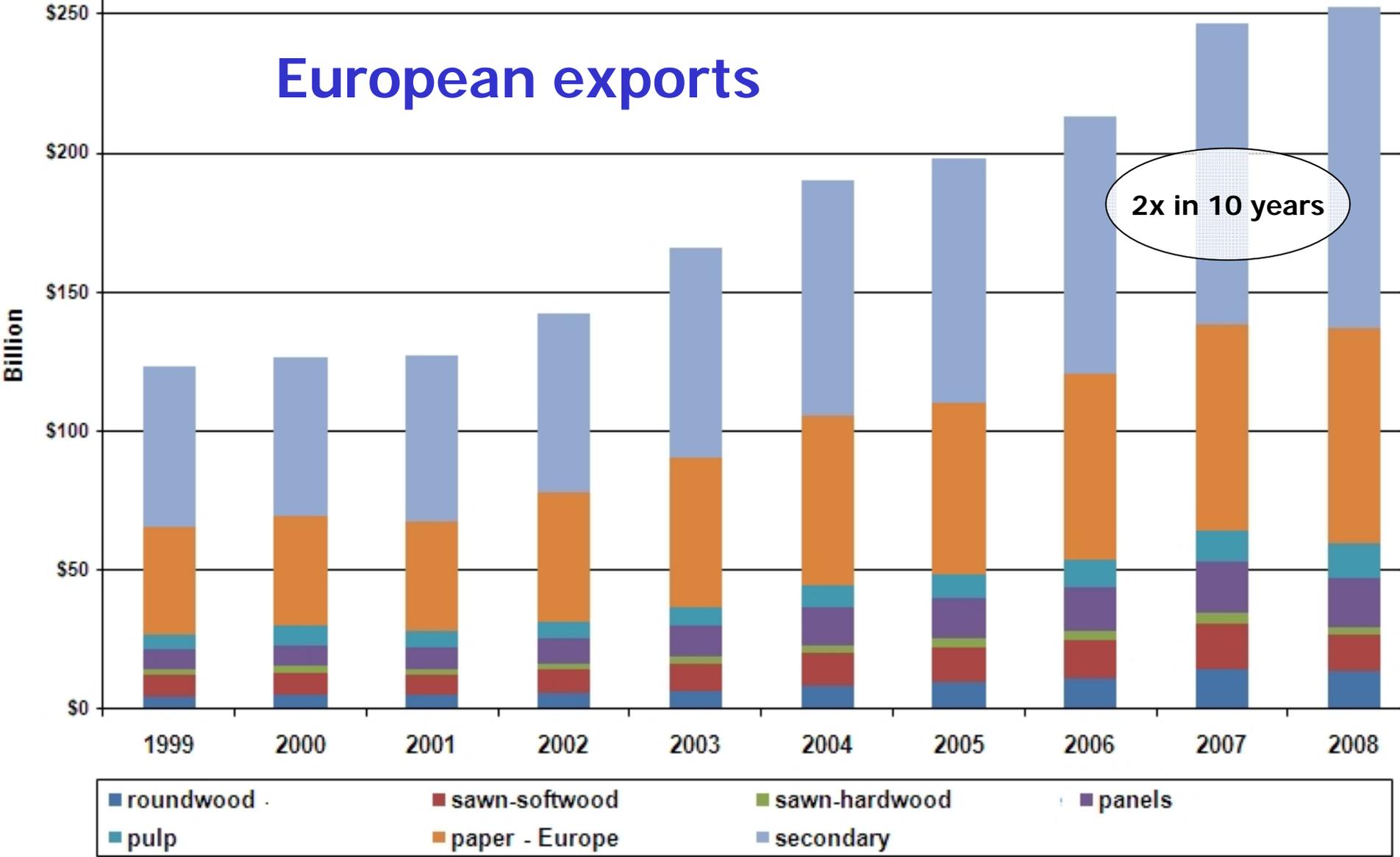
- Global economic crisis (a cause)
- Massive restructuring of N. American wood industry (unemployment)
- Local communities devastated
- Long-term consequences for forest sector



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European exports



2x in 10 years

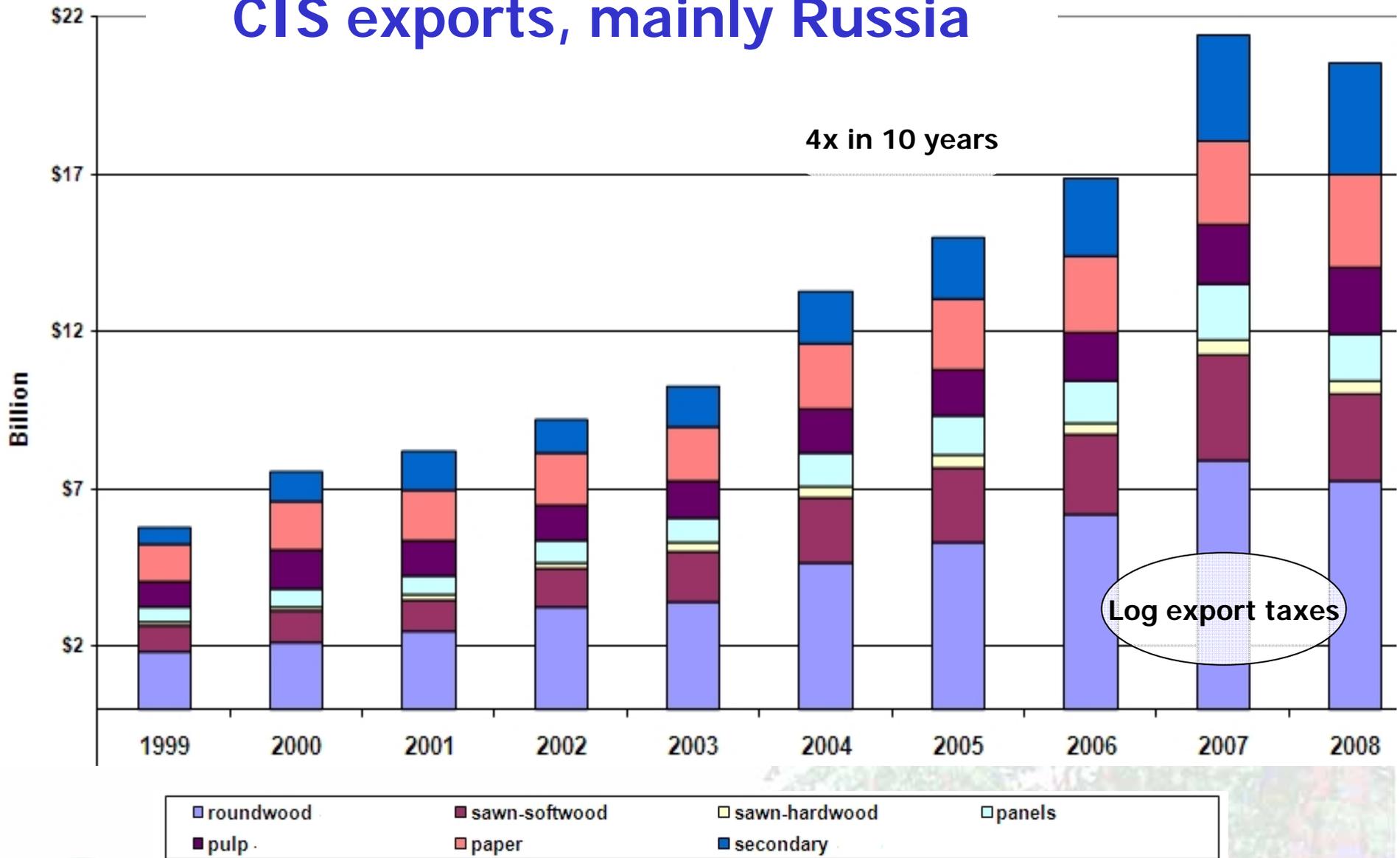


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Source: FAOStat, 2010



CIS exports, mainly Russia



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Source: FAOStat, 2010



Exporting primary vs secondary

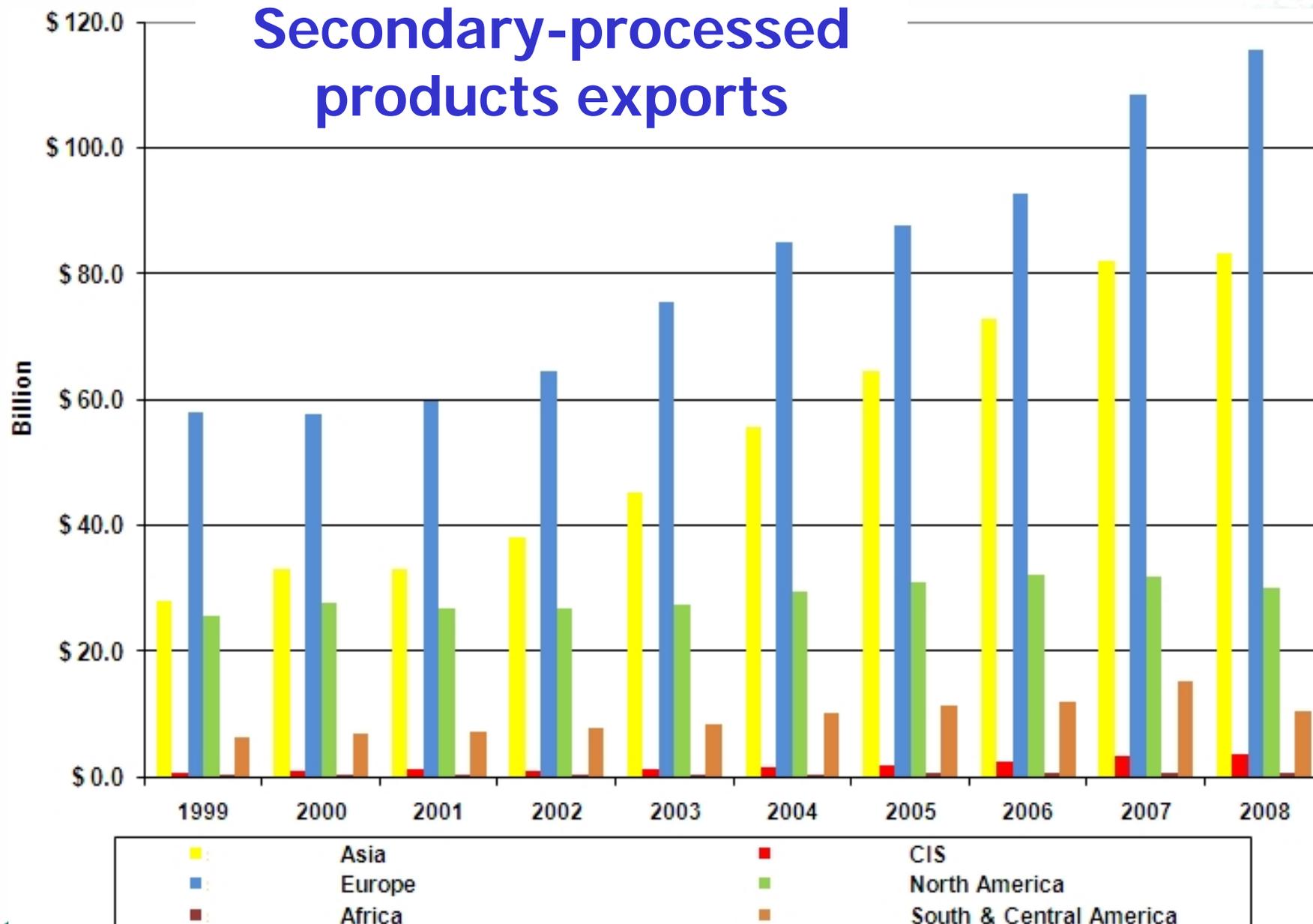
- Primary (logs, sawnwood, panels, pulp) are commodity products
 - Easy to export
 - Correspond to market price
- Secondary, value-added products
 - Higher value and profits
 - Require greater manufacturing and marketing skills



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Secondary-processed products exports



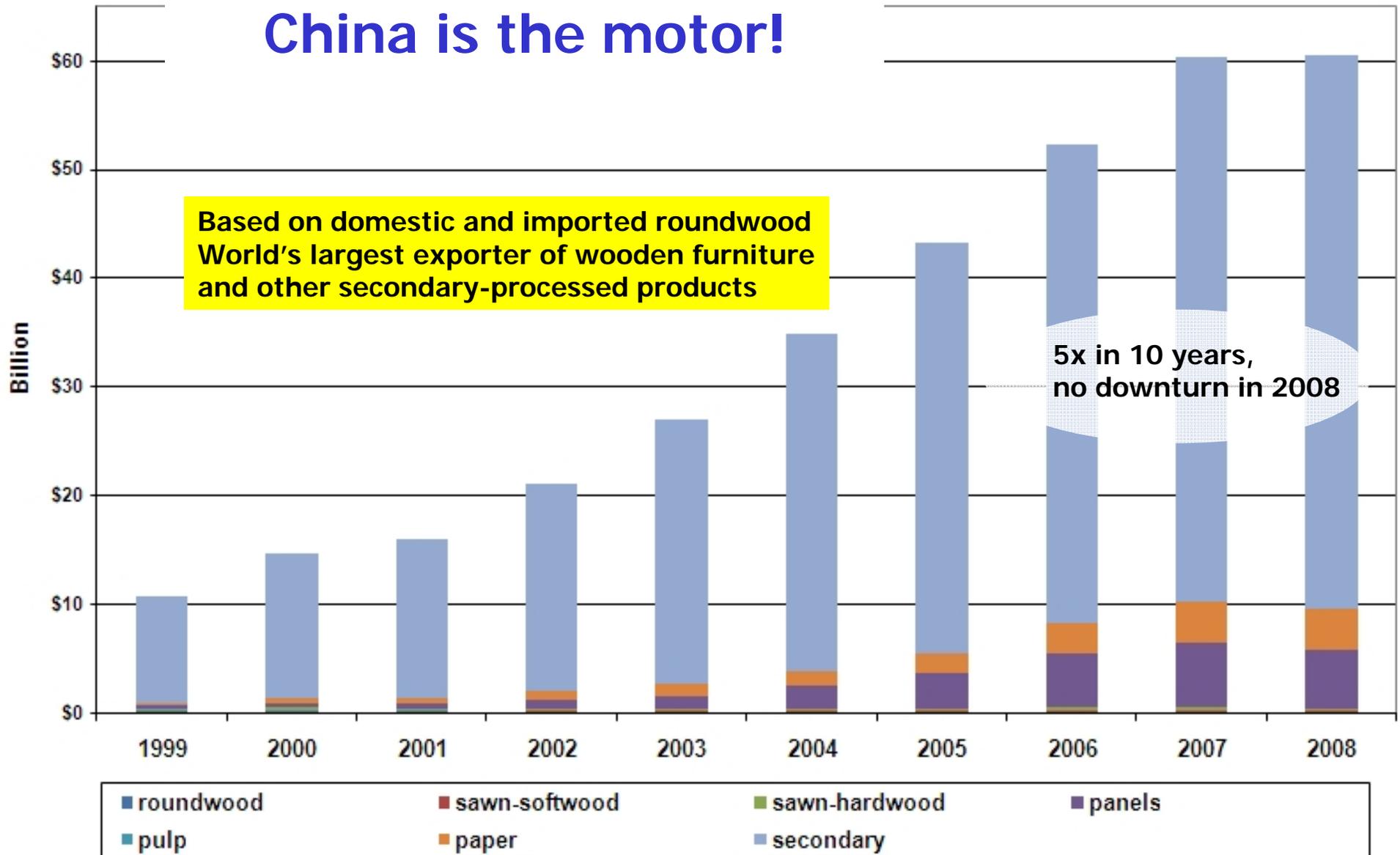
Source: FAOStat, 2010



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China is the motor!

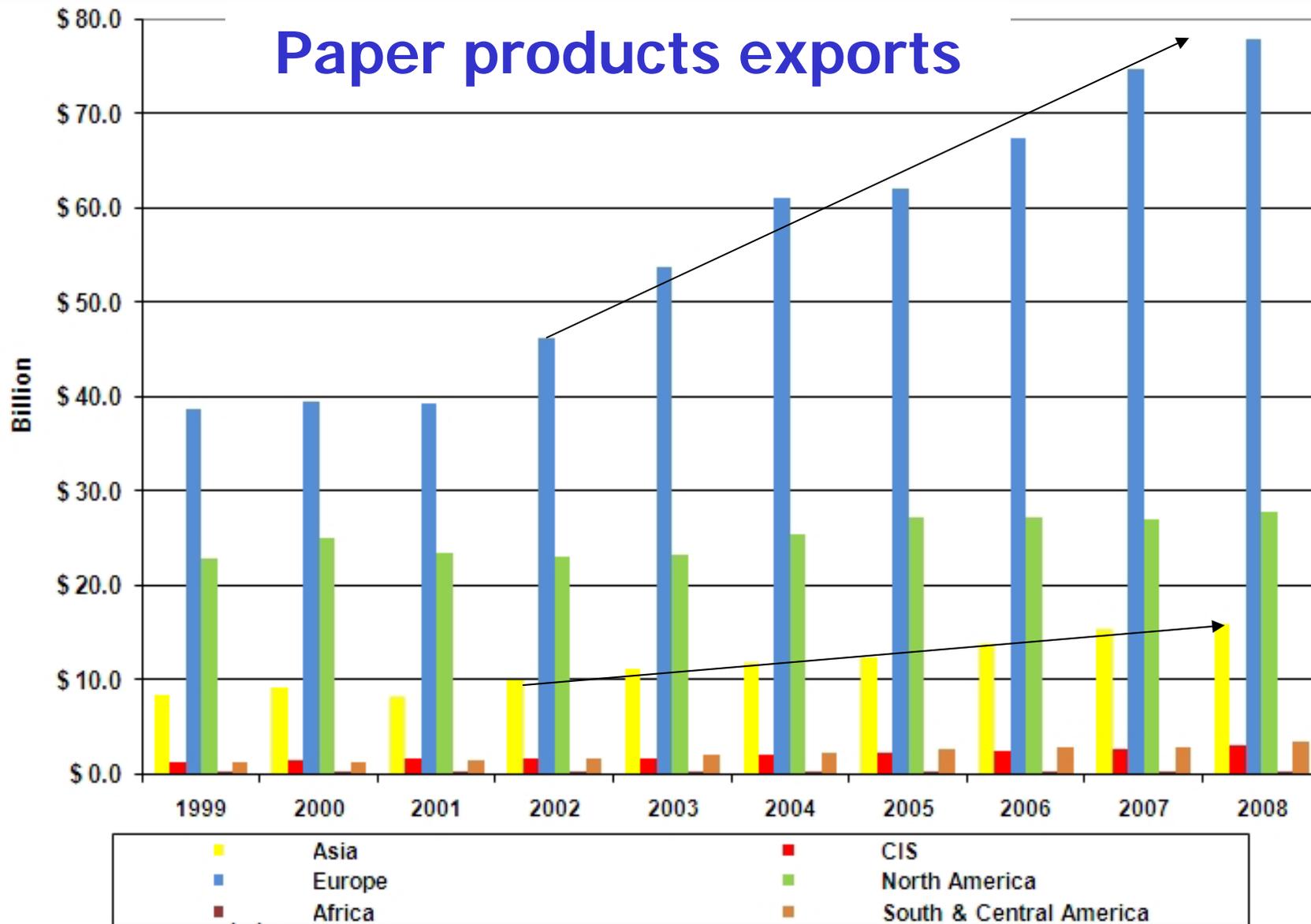


Source: FAOStat, 2010

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Paper products exports



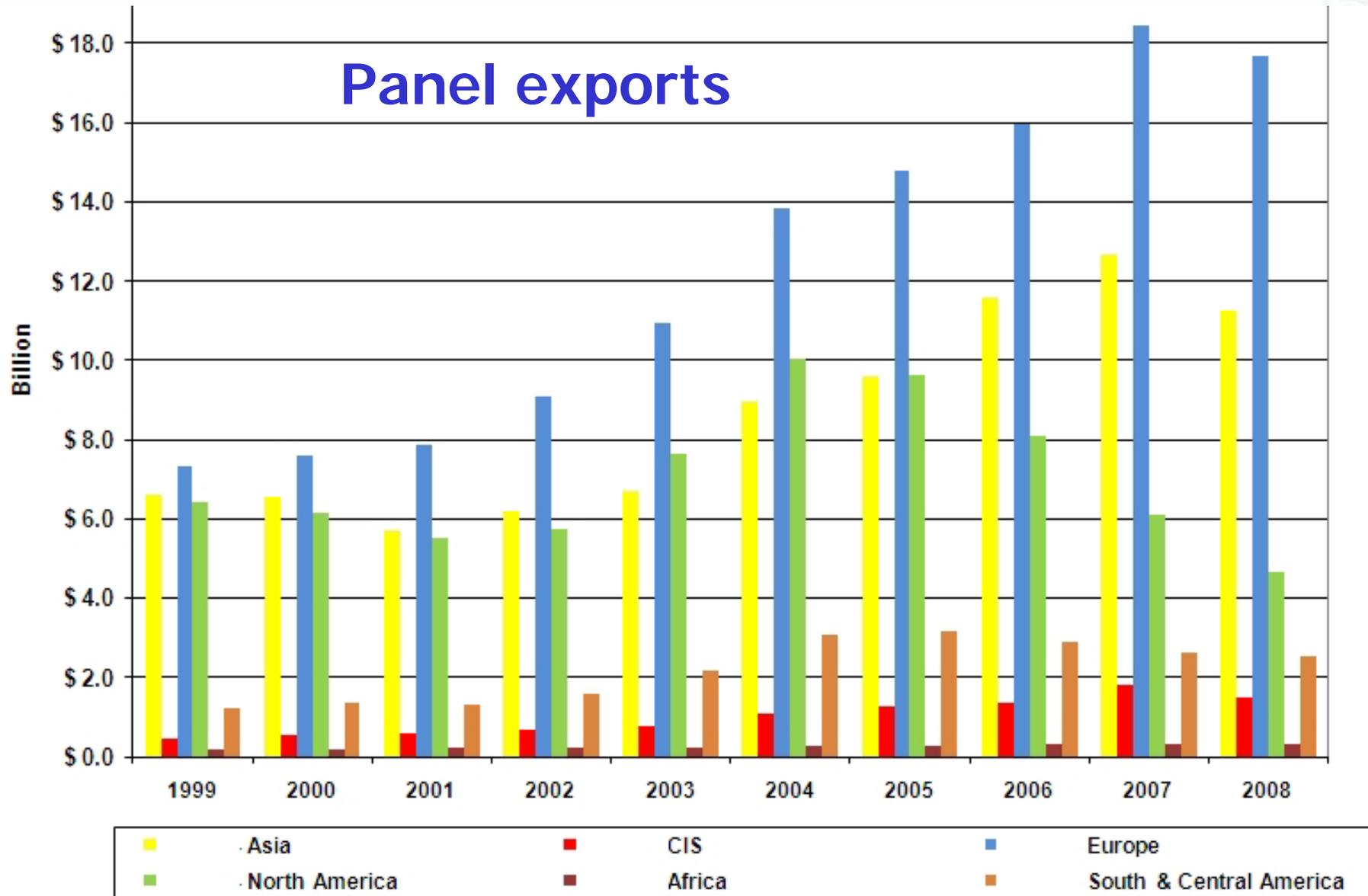
Source: FAOStat, 2010



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Panel exports



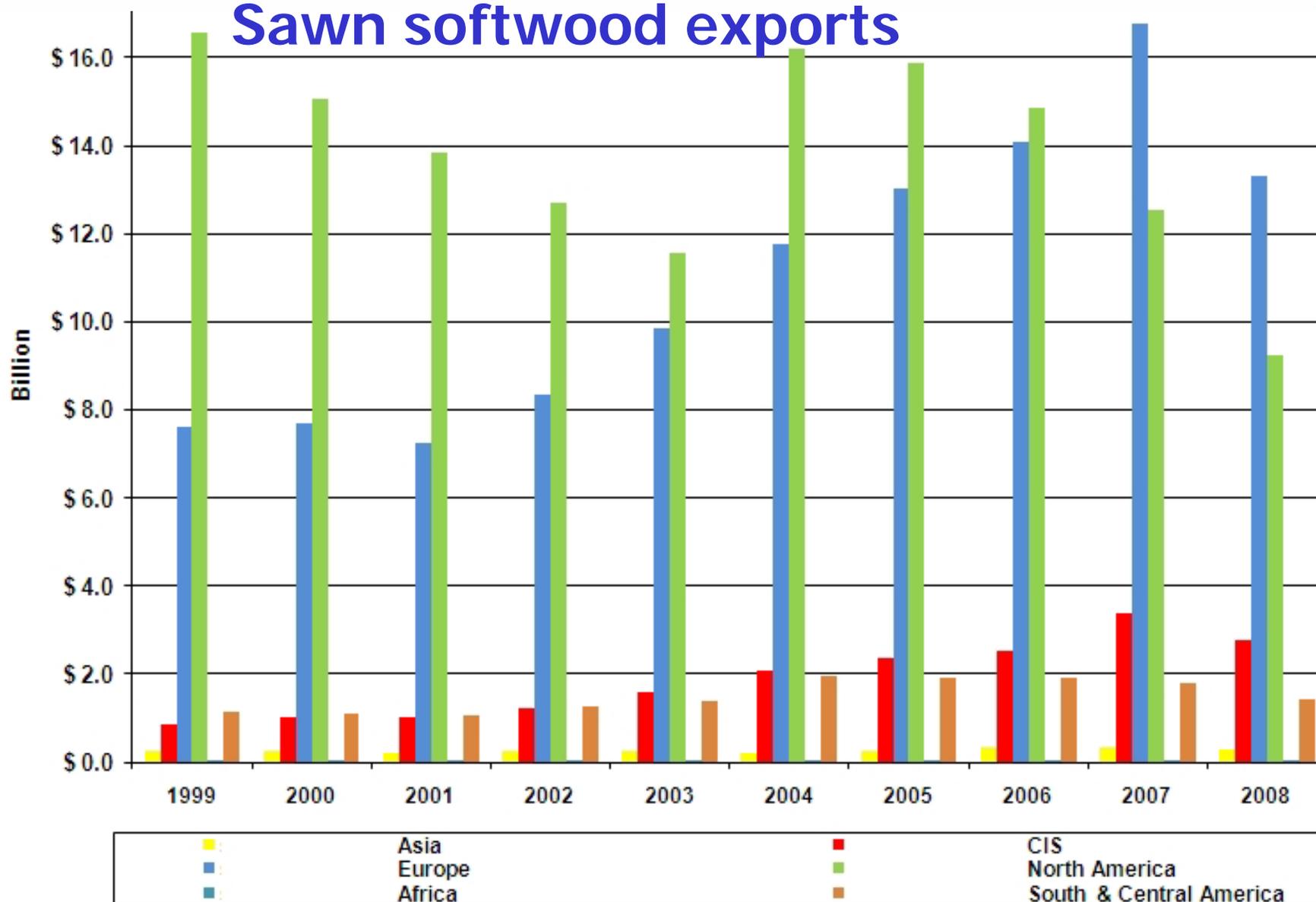
Source: FAOStat, 2010



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Sawn softwood exports



Source: FAOStat, 2010



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V. Trade conclusions

- Global timber trade **doubled** over last decade
- Greatest increase in secondary-processed products
- Slowdown in 2008, 2009 with global economic crisis
- China became largest roundwood importer and largest secondary-processed products exporter
- Trade barriers distort markets
 - Export taxes, subsidies, tariff and non-tariff
 - Intentionally for national reasons
 - Consequences for partners' forest sector





VI. Discussion



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