Global Trade Of Wood Chips Down 26% In 2009 As Pulpmills Reduce Production Worldwide, Reports Wood Resources International

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Seattle, USA. Global trade of wood chips has increased on average four percent per year from 2004 to 2008 reaching a record 32 million tons last year. This upward trend was broken in 2009 with trade being down 26% during the first half of the year as compared to 2008. The drop in shipments was the direct result of the global financial crises and the reduced demand for paper products worldwide.

This year, only an estimated 25 million tons of wood chips will be shipped worldwide, which is the lowest volume since 2002. Japanese pulp mills are still the major destination for the world’s chips vessels; the country imported 53% of globally traded hardwood chips and 15% of softwood chips. Other countries in Asia, including China, Taiwan and South Korea, accounted for 12% of global imports, while the Nordic Countries have imported 14% of traded chips this year.

The biggest plunge in shipments has been that of wood chips to Japan. During the first six months, the country imported 34% less chips than the same period last year, with the biggest decline being that of softwood chips. Practically all major importing countries have reduced their purchases this year. The only countries that have increased their reliance on imported wood fiber are Turkey (softwood), China (hardwood), Sweden (hardwood) and Portugal (hardwood).

The countries that have reduced exports the most in 2009 are Australia, South Africa, Vietnam and Uruguay. Australia, the world’s largest exporter, has reduced shipments from 3.1 million tons the 1H last year to 2.3 million tons during the same period this year, reports the market report the Wood Resource Quarterly. Uruguay has cut back exports 65% this year, while shipments from South Africa have declined 40%. With pulp production slowly increasing this fall and energy companies in Europe searching for additional sources of woody biomass, it is likely that trade with wood chips will increase in the coming year.

On March 16-17, 2010, the 4th Global Wood Fiber Conference: Trade in Wood chips and Biomass will take place in Sao Paulo, Brazil. The conference will focus on developments in woodchip markets worldwide, European demand for pellets and biomass chips, outlook for plantation wood chip supply, ocean freight costs and wood chip price trends.

Following the conference, there will be a two-day field trip to visit forest plantations and chip export facilities. For more information, please go to www.pulpwoodconference.com

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Mr. Ekstrom is the President of Wood Resources International LLC, which is an internationally recognized forest industry consulting firm established in 1987. The company also publishes two quarterly timber price reports tracking global forest products markets. The market reports have readers in over 25 countries.