

LUMBER MARKET DEVELOPMENT H1 2023

USA

- Increasing shipments from Europe (+42%) in Q1 despite decrease in softwood imports (-2%)
- European share of US imports already at 18% after Q1 (2022: 12%)
- Price levels are currently so low that North American manufacturers are in the red.
- Predicted price increase in May did not happen yet; Lumber Futures for July: price to double from current level
- General uncertainty and high interest rates have negatively impacted demand.
- Demand for repair/refurbishment should pick up in Q2.
- Strong increase in shipments from Europe
- Ship freight rates (Europe to the US) much lower

MENA REGION

- European countries exported nearly 8.05 million m³ of softwood lumber to the Middle East and North Africa in 2022, i.e. 10% more than in 2021.
- The MENA region is by far the most important overseas market.
- Price levels have held up better than on other markets.

DACH REGION

- Slightly rising lumber prices in Q1, decrease in demand and falling prices since Easter
- High log prices, approximately at last year's level (ex sawmill in DACH region between €140 and €150/m³)
- Prices for sawmill by-products plummeted in Germany and Austria, parallel to the pellet price
- In Austria, prices for sawmill by-products should have reached the bottom in April.
- For the first time ever, nearly all European pulp mills curtailed production, which also reduces demand for sawmill by-products.
- Timber construction with a good order situation in H1, decrease in the number of new orders
- Bigger volumes of damaged wood expected again in South and East Tyrol and Carinthia: little snow in winter, damage caused by snow and windthrow as forest protection issues

SCANDINAVIA

- Massive slump in domestic demand
- Log price increased, well below price in Central Europe (around €90/m³)
- Sweden: Expansion of exports to Great Britain, Egypt, China, Germany
- Finland: decreasing exports

BALTIC STATES

- In H1 2022, still massive "resale of Russian and Belarussian goods"; not anymore since then
- War/post-war era: countries process/need more lumber than is available: Baltic States become import region, e.g. for Swedish log wood.

UKRAINE

- World's biggest exporter of oak laminations until the start of the war
- Continued effort to export oak lumber
- Softwood lumber exports down by 42% in 2022
- Decreasing softwood lumber exports in 2023 (e.g. to Italy: -23% to 23,000 m³)

RUSSIA

- Further decrease in softwood lumber production: Q1 2023: 6.6 million m³; -12% compared to Q1 2022.
- Mayr-Melnhof Holz and Hasslacher sawmills "sold" to Russian companies
- Lumber exports to China up by 12% in Q1
- Log exports to China: 0 m³ in Q1

CHINA

- Massive increase in softwood lumber imports: +33% to 1.8 million m³ in three months
- Canada, Germany and Nordic countries with bigger volumes; Belarus: +174% to 64,000 m³
- Now, in May, warehouses seem to be full.
- Unsatisfactory price levels for lower-quality lumber; higher qualities sell for just under US-\$300/m³.
- Much lower freight rates for shipments from Europe to China

JAPAN

- Japan currently "cool" market following overheated situation in 2021 and 2022
- Market saturation reached, warehouses full. Order activity is expected to increase at the end of Q2.
- Sebes/RO: Acquisition could lead to changes in supply from Europe

LEGEND | MAP KEY © Holzkurier 2023

	Lumber production		High stock levels
	War		Rail/ship/truck logistics
	Investments		
	Constant development of prices/volumes		Overheated market
	Timber construction		Upward trend
	Different market developments		Downward trend

