



Global Conifer Sawlog Prices Reaching All-Time Records

Wood costs account for 65-75% of the production costs when manufacturing softwood lumber. In 2007, these costs reached record levels according to the global market report the Wood Resource Quarterly.

Seattle, WA, January 25, 2008 --(PR.com)-- The WRQ Global Conifer Sawlog Price, based on sawlog prices in 19 key regions around the world, reached an all-time record high of \$86/m³ in the 3Q/07.

Prices for sawlogs were up in Europe early this fall due to high log demand as the lumber market continued to be strong. In North America, the trend was the opposite, with declining lumber consumption and lower sawlog prices.

The global average sawlog price has been fluctuating between \$53/m³ and \$73/m³ over the past 12 years. In the mid-1990's, the difference between the lowest cost region (Latin America at \$40/m³) and highest cost region (Central Europe at \$115/m³) was US\$75/m³, while in 2007 the disparity between the lowest and highest-cost regions had increased to almost US\$100/m³. The price averages for all European sub-regions are currently all above the global average while the other world regions are below the WRQ average.

It is interesting to note that average prices in the Nordic countries, the Baltic States and Eastern Europe have steadily converged the past 12 years, and over the past 18 months, they have become practically identical. The countries around the Baltic Sea have clearly become one common market for wood raw-material.

Global sawlog and pulpwood market updates are included in the publication Wood Resource Quarterly, which tracks the evolving global sawlog and pulpwood cost situation, including regular updates of the biomass market, timberland investment trends and forest industry profiles in important world regions. The market report is published by the forest industry consulting firm Wood Resources International.

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