



Global Trade of Woodchips Increased 6% in 2007, Reaching New Records

Seattle, WA, May 28, 2008 --(PR.com)-- Pulpmills in both Europe and the Pacific Rim are increasingly sourcing their mills with wood from fast-growing plantations. This has resulted in a major expansion of worldwide trade of both wood chips and pulplogs the past few years, according to the Wood Resource Quarterly.

Global trade of wood chips has more than doubled in 20 years, reaching 31 million tons in 2007. Just since 2003, total trade has increased by almost 30%. This development is the result of a tighter wood supply in close proximity to many pulpmills in the Northern Hemisphere, higher costs for locally sourced wood fiber and relatively lower-cost alternatives in new supply regions.

The biggest increases in imports have been to Finland, Austria, Germany, Turkey, Canada and China. Trade of wood chips is still the highest in the Pacific Rim, where imports to Japan, Taiwan, South Korea and China account for about 55% of the total global trade and over 95% of water-borne trade.

The major supplying regions to Asia in 2007 were Australia, South Africa, Chile and Vietnam, which together exported just over 12 million tons, the majority of which was Eucalyptus wood chip destined for Japanese pulpmills. Vietnam has increased shipments dramatically and is now the fourth largest supplier of wood chips to Japan, exporting 1.73 million tons in 2007, up from only 390,000 tons six years ago.

Uruguay has also expanded shipments of both Eucalyptus wood chip and pulpwood the past few years. In 2007, total wood chip exports were almost one million tons compared to virtually no chip exports at all five years ago. Practically all wood chips have been sent to pulpmills in Japan, Spain, Sweden and Finland. In addition to wood chips, Uruguay has also expanded exports of pulplogs from its plantations. In 2007, these shipments reached 1.7 million m³, of which a majority has been destined for the Nordic countries and Southwest Europe (Portugal, France and Spain).

Over the long-term, it can be expected that trade of wood chips will decline as more pulp capacity will be added in regions with fast-growing plantations and pulpwood will be consumed locally.

Global pulpwood and sawlog market updates are included in the 50-page publication Wood Resource Quarterly. The report, established in 1988 and with readers in over 20 countries, tracks wood prices in most regions around the world and also includes regular updates of international pulp, lumber and biomass markets.

Contact Information

Wood Resources International
Hakan Ekstrom
info@wri-ltd.com
www.woodprices.com

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Contact Information:

Wood Resources International LLC

Hakan Ekstrom

425 402 8809

info@wri-ltd.com

www.woodprices.com

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