European log exporters have made major inroads in the Chinese market in 2019, while exports from New Zealand have levelled off

There has been a major shift in sourcing of softwood logs into China in 2019. The major reasons for this change include the tariff war between the US and China, and oversupply of logs in Europe, which has interrupted the regular trade flows on that continent. Since the trade war started back in the summer of 2018, China’s import volume from the US fell from 1.5 million m³ in the 3Q/18 to 540,000 m³ in the 4Q/19, and the market share of total import was down from 14% to only 5%.

European logs in the Chinese market is a new phenomenon. In 2016 and 2017, there were very small log volumes shipped from the European continent to China, but that changed quite dramatically in 2018 when about one million m³ was shipped, Then, in 2019, import volumes took a big jump when over seven million m³ of logs were loaded in European ports destined for China.

Over the past five years, Chinese importers have continuously expanded importation of logs from New Zealand and Australia to reach all-time highs in 2019, while shipments from North America and Russia declined during the same period (see chart). The large volumes imported from Europe in 2018 and 2019 has been possible as a consequence of storm and insect-infested forests on the continent. This opportunistic development is not likely to persist, and the recent shipment levels will not be sustainable longer-term.
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