

Global trade of wood chips down in 2009

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Oct. 13, 2009, Seattle, WA – The global trade of wood chips has increased on average 4% per year from 2004 to 2008, reaching a record 32 million tons last year. This upward trend was broken in 2009, with trade down 26% during the first half of the year as compared to 2008. The drop in shipments was the result of the global financial crisis and the reduced demand for paper products worldwide.

This year, only an estimated 25 million tons of wood chips will be shipped worldwide; this is the lowest volume since 2002. Japanese pulp mills are still the major destination for the world's chips vessels: Japan 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, whereas the Nordic Countries 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 in softwood chips. Almost 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 in the first half of last year to 2.3 million tons during the same period this year, reports the Wood Resource Quarterly market report. Uruguay has cut back exports 65% this year, and 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 in wood chips will increase in the coming year.

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