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Global Sawlog Markets

Russia's proposed log export ban in 2022 will have a far-reaching impact on global forest product markets

Russia exported 15 million m³ of logs in 2020, which accounted for almost 12% of globally traded roundwood. Much of this trade may come to a halt next year when a new law proposed by Russia's president will ban the exportation of softwood logs and high-value hardwood logs as of January 1, 2022. The Russian government is also considering new regulations aimed at reducing the exportation of green softwood lumber. This regulation is loosely planned to also commence in 2022 and is intended to incentivize investments in dry-kilns to produce dried lumber for exports. Reducing log and green lumber exports will likely stimulate further value-added processing within Russia and better control illegal logging.

While the proposed ban is not yet law, it is widely expected to be implemented and passed into law in the second quarter of this year. If enacted, the law will most significantly impact Eastern Russia, where an estimated 10% of the timber harvest is exported in log form. In the short-term, the Chinese lumber industry will be most directly impacted, as exports of softwood logs mainly from Russia Far East are likely to be prohibited. According to a just-released study, **Russian Log Export Ban in 2022 - Implications for the Global Forest Industry** ([LINK](#)), China will probably look to source more sawlogs from other regions of the world, such as Oceania, Europe, and the US. The increased competition for logs in those markets will likely put upward pressure on sawlog prices. Mid-term, the study expects that China will evolve from importation of roundwood to importation of lumber. This shift will allow lumber manufacturers in Europe and Russia to increase shipments to China.

Although it is expected that the export ban will drive Russian investment in new lumber capacity, there might also be some impact on other forest industry sectors, for example those planning to co-locate pellet plants with sawmills. In addition, the possibility of restrictions in the exportation of green lumber will encourage more investments in kiln drying capacity, thus improving access to markets in Europe and the US.

*The excerpt above is from the just-released Focus Report “**Russia Log Export Ban in 2022 – Implications to the Global Forest Industry**”, published by Wood Resources International LLC and O’Kelly Acumen. For more information about the study or to inquire about purchasing the 60-page report in easy-to read slide format, please contact either Hakan Ekstrom (hakan@woodprices.com) or Glen O’Kelly (glen.okelly@okelly.se). A Table of Contents of the report is available on our website. [Click here!](#)*

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