

Wood Resources
International

WRI Market Insights 2021

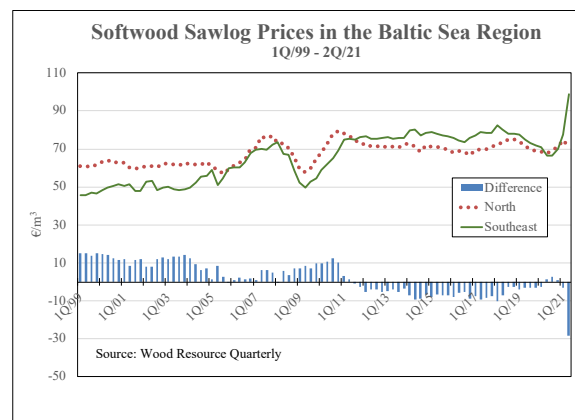
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European Log Markets

Sawlog prices in the Baltic States and Poland grew faster than in the Nordics in 2021, following two decades of tightly bundled prices in the Baltic Sea market

Sawlog prices in countries around the Baltic Sea have tracked each other closely for most of the past 20 years. In the first decade, sawlog prices in the Nordic countries were paid at a premium over other regions, and in the following decade, the South-eastern markets (the Baltic States and Poland) had the highest log costs.

However, in 2021 the relatively small price discrepancy between the countries in the southeast and the Nordic countries changed when the log costs in the southeast region rose considerably to record high levels, while the cost increases in the Nordic countries were more modest (see chart). In the 2Q/21, the sawlog price index (in Euro terms) for the Southeast Baltic Sea region was up 63% y-o-y, while the index for the Nordic countries was up only 16% over the same period, according to the Wood Resource Quarterly. For the nations around the Baltic Sea, prices rose the most in Latvia and Poland in 2021 compared to the previous year.



In 2020, just over 4.3 million m³ of softwood logs were shipped overseas between countries in the Baltic Sea region. A large share of the trade was from Estonia and Latvia to Finland and Sweden. There were also other significant trade flows were those from Norway to Germany, Finland to Sweden, and Germany to Lithuania. About half of the traded

softwood log volume has been sawlogs, a ratio that has been relatively stable the past five years.

Softwood log exports from the Baltic States have trended downward since their 20-year peak in 2014, with estimated total shipments in 2021 being about 40% lower than in 2014. Instead, exports of softwood lumber have gone up during the same period, continuing a longer upward trend that started in 2008. As a result, the three Baltic States, less than 1% of Europe's forest area, now account for almost 10 percent of Europe's total lumber exportation.

*Are you interested in worldwide wood products market information? The Wood Resource Quarterly (WRQ) is a 75-page report established in 1988 and has subscribers in over 30 countries. The publication tracks **prices for sawlog, pulpwood, lumber & pellets** and reports on trade and wood market developments in most key regions worldwide. For more insights on the latest international forest product market trends, please go to www.WoodPrices.com*

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