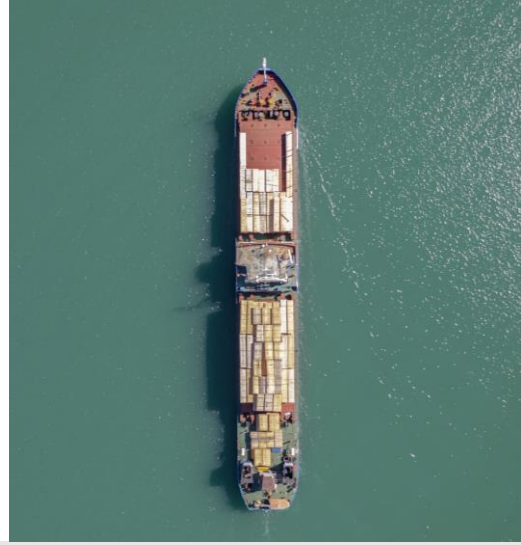


Global lumber markets

Navigating in uncertain times

June 2023



Global markets for softwood lumber are entering a new phase in 2023-25, with weaker demand and pricing in most regions, after years of growth. Supply is also evolving with harvest cuts in Canada BC and Central Europe, Russian trade barriers, and US South capacity growth. In this report we take stock of latest changes in softwood lumber markets globally, and with four regional deep dives (US, China, Europe, Middle East & North Africa) and recommend steps that the sawmill owners can take to face the challenging market environment ahead.

Contents

1. Global market overview

- Market size and growth by region 2000-22
- End-use applications and demand drivers
- Production, trade and pricing by region 2000-22

2. Market juncture in 2023

- Inflection point in 2023 in demand and pricing
- Early indications of cooling demand, weaker economy
- Regional supply-side dynamics in short and long term

3. Regional perspectives 2023-2025

- 4 regional deep-dives, each including:
 - Historical demand and supply 2000-22
 - Market segments and demand drivers
 - Macro-economic and demand outlook to 2025
 - Supply constraints and outlook to 2025
 - Market balance, export potential / import need
 - Analysis of key region-specific market dynamics

3.1 United States

3.2 China

3.3 Europe

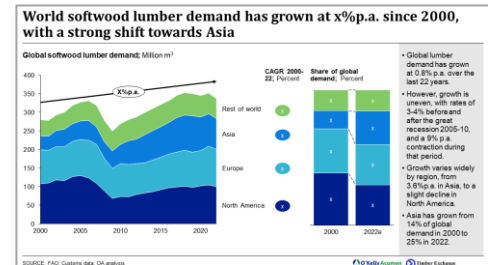
3.4 Middle East & North Africa

4. Sawmill strategies

- Key challenges facing global industry 2023-25
- 9 strategies to address through cost efficiency, supply management, diversification and channel strategy

Example exhibits

Global softwood lumber demand by region 2000-2022e



Macro-economic outlook for regional lumber demand 2023-25

The macro-economic outlook varies significantly by region

Global economic outlook, 2023-25

	United States	Canada	LatAm	Europe	Russia	China	Japan	Other Asia	MENA	Other Africa	Oceania
GDP growth % p.a.	X	X	X	X	X	X	X	X	X	X	X
Investment % p.a.	X	X	X	X	X	X	X	X	X	X	X
Government spending % p.a.	X	X	X	X	X	X	X	X	X	X	X
Unemployment %pt. change	X	X	X	X	X	X	X	X	X	X	X
Construction % p.a.	X	X	X	X	X	X	X	X	X	X	X

Legend: Strong (Green), Average (Grey), Poor (Blue)

SOURCE: IMF, Oxford Economics, OJ analysis

Market segments and demand trends for lumber in MENA

Woodworking sectors are relatively important in MENA

Softwood lumber segments, Egypt, Percent	Description	Market development	As in other regions, construction is the largest application in MENA, but mainly in the building process (concrete forming, scaffolding) not primarily as a material in the final construction.
Concrete forming	Frames for concrete building of pillars, floors and walls.	Strongly linked to construction, few good substitutes (e.g. steel).	Interior applications - including doors, windows and furniture - are very important in MENA, due to low labour costs and a large carpentry sector.
Structural elements	Only wood, or in combination with steel (e.g. walking planks)	Strongly linked to construction, few good substitutes	
Scaffolding	Visible and decorative features of formwork	Strongly linked to construction	
Door frames	Only wood, or in combination with steel	Stable, linked to tradition of raising doors	
Doors and windows	Handmade, often carved	Competition from metal, plastic and other materials	
Furniture and decorative	Handmade: cupboards, beds, tables and chairs in solid wood	Linked to local furniture industry and export to other MENA	
Decorative	Panels and screens	Linked to home construction and improvement	
Other	Diverse, including packaging	Packaging growing with export	

SOURCE: Timber Exchange, Oxford Timber, Canada

Questions the report helps answer

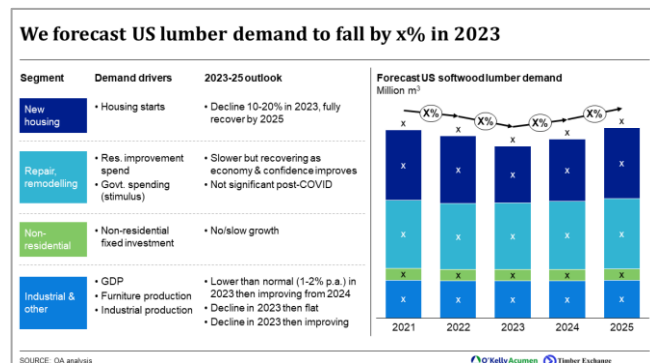
- How did softwood lumber demand, supply and pricing evolve by region in 2000-2022?
- How will the weaker economic environment impact lumber demand in 2023-25?
- What are the important end-use segments and demand drivers by region?
- How does the demand and supply outlook vary by key region?
- What potential do key supply regions have to increase lumber production?
- What are the implications for trade, esp. regional import needs / export potential?
- How can sawmill owners adapt to the weaker market outlook?
- What role will sawmill technology and product innovation play?

Who the report is most relevant for

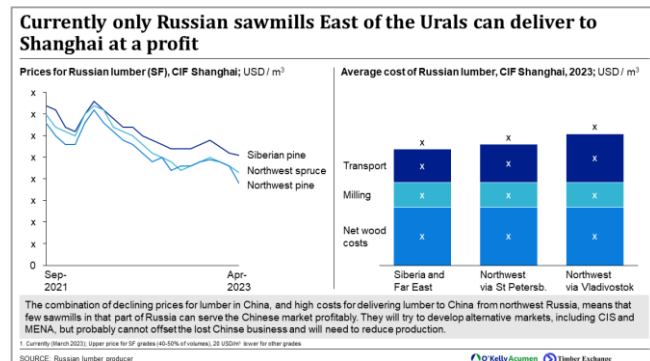
- **Sawmill owners** / operators globally.
- **Lumber buyers**, including construction, packaging and furniture manufacturers.
- **Lumber traders** and **wholesalers**.
- **Forest owners** and **investors** globally.
- **Pulp, panel** and **pellet industries** using sawmill residues.
- Suppliers of **sawmill equipment** and technology.
- **Analysts, consultants, financial institutions** and **industry associations**.

Example exhibits

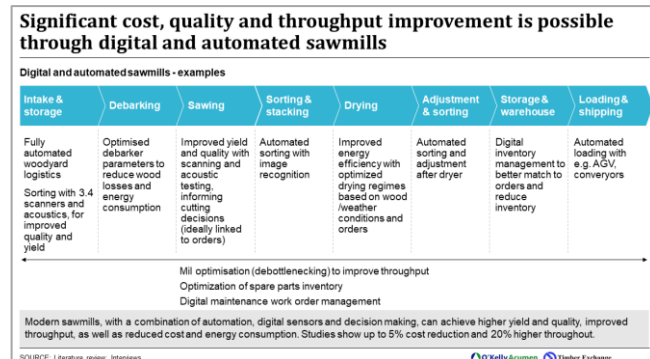
Forecast US lumber demand by segment to 2025



Russian cost position delivered China, by region



Digital and automation levers for cost efficiency



Go here to order: <https://www.okelly.se/shop/global-lumber-markets>

Pricing options – From 9 Sep '23

- **Corporate license:** USD 3900 2730
- **Single-user license:** USD 2800 1960
- **Data (additional):** USD 500

What you get:

- 110-page report in easy-to read slide format
- One of authors available for 45 min interview
- Access to ppt slides can be discussed

Contact us for more information

O'Kelly Acumen

Mr. Glen O'Kelly
Stockholm, Sweden

glen.okelly@okelly.se
+46 73 56 98 039

www.okelly.se

Timber Exchange

Mr. Amir Rashad
Stockholm, Sweden

amir@timber.exchange
+46 70 00 939 77

www.timber.exchange