World Bank: Annual Growth in Global GDP, 2010–2022
(including the Outlook for 2020–2022)
### COVID-19 effects: Annual change in world exports 2019-2020\textsuperscript{e}

<table>
<thead>
<tr>
<th></th>
<th>Change (%) 2019-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Volume</td>
</tr>
<tr>
<td>Total logs</td>
<td>-12\textasciitilde-15</td>
</tr>
<tr>
<td>Tropical logs</td>
<td>-20</td>
</tr>
<tr>
<td>Total sawnwood</td>
<td>-9\textasciitilde-11</td>
</tr>
<tr>
<td>Tropical sawnwood</td>
<td>-21</td>
</tr>
<tr>
<td>Total plywood</td>
<td>-10</td>
</tr>
<tr>
<td>Tropical plywood</td>
<td>-12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>World trade value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary wood products</td>
<td>-14% (-$10.5 billion)</td>
</tr>
<tr>
<td>Primary trop. wood products</td>
<td>-17% (-$2.5 billion)</td>
</tr>
</tbody>
</table>

\textsuperscript{e} = Annual estimate based on Jan-June 2020 data
US Remains World’s Largest Hardwood Lumber Exporter in 2020

Countries Total Hardwood Lumber Exports (inc tropical and temperate HS codes), Jan-November

- 2018: $3.3 billion, 33.1% MKT Share
- 2019: $2.9 billion, 29.1%
- 2020: $2.8 billion, 28.5%

Source: Trade Data Monitor
Exports of US hardwood lumber, by region

* Africa, Middle East, Central Asia (incl India)

Source: AHEC analysis of USDA FAS GATS
https://apps.fas.usda.gov/gats/
Exports of US hardwood lumber, by species

Source: AHEC analysis of USDA FAS GATS
https://apps.fas.usda.gov/gats/
Exports of US hardwood logs to main markets

Source: AHEC analysis of USDA FAS GATS
https://apps.fas.usda.gov/gats/
Exports of US hardwood logs, by species

Source: AHEC analysis of USDA FAS GATS
https://apps.fas.usda.gov/gats/
Regional Log Sources Still Largest Trader with China

China's Hardwood Log Imports in $USD

Source: China Customs Statistics
US hardwood veneer exports by global region
2016-2020 (1 million m²)

* Africa, Middle East, Central Asia (incl India)

Source: AHEC analysis of USDA FAS GATS
https://apps.fas.usda.gov/gats/
US hardwood veneer exports to Canada & Mexico 2016-2020 (1 million m²)

Source: AHEC analysis of USDA FAS GATS https://apps.fas.usda.gov/gats/
Top 10 destinations outside N America for US hardwood veneer 2016-20 (1 mill. m²)

Source: AHEC analysis of USDA FAS GATS
https://apps.fas.usda.gov/gats/
Greater China
Lumber Market

OECD Projected GDP Growth Rate

recovery is strengthening and looks more sustainable
Exports of US hardwood lumber to China and Rest of the World (RoW)

Source: AHEC analysis of USDA FAS GATS https://apps.fas.usda.gov/gats/
US Hardwood Lumber Exports to All Markets (volume, m3)

Source: U.S. Census Bureau Trade Data
US Exports of Hardwood Lumber to China

- 623,013,988 BF ($817,951,000) in 2013
- 741,561,011 BF ($1,095,912,000) in 2015
- 686,439,336 BF ($964,983,000) in 2014
- 850,176,506 BF ($1,194,970,000) in 2016
- 854,683,827 BF ($1,313,020,000) in 2018
- 1,023,728,263 BF ($1,510,944,000) in 2017

*2019 annualized Jan.-Aug. data

Source: USDA FAS
Graph: HMR
US HDWD Lumber Exports to China (m3)

Blue – Before Tariffs  
Yellow – Initial Tariffs  
Red – Full Tariffs  
Green – Tariffs Removed

Source: U.S. Census Bureau Trade Data
Thailand Surpassed USA as China’s Largest Lumber Supplier During Trade War

China's Imports of Hardwood Lumber ($USD)

- **2018**
  - USA: 30.1% Market Share (28.6 billion USD)
  - Thailand: 27.4% Market Share (29.2 billion USD)

- **2019**
  - USA: 21% Market Share (28.3 billion USD)
  - Thailand: 22.3% Market Share (29.1 billion USD)

Source: China Customs Statistics
ECONOMIC AND TRADE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE PEOPLE’S REPUBLIC OF CHINA

PHASE ONE
<table>
<thead>
<tr>
<th>Product Category</th>
<th>Additional U.S. Exports to China on Top of 2017 Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year 1</td>
</tr>
<tr>
<td>1. Manufactured Goods</td>
<td>32.9</td>
</tr>
<tr>
<td>8 Other manufactured goods(^a)</td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) Includes solar-grade polysilicon and other organic and inorganic chemicals, **hardwood lumber**, integrated circuits (manufactured in U.S.), and chemical products.

\(^b\) At the request of the United States. China will strive to purchase and import $5 billion per year of the U.S.
Tariff Exclusion Through Sept 2021

• On Feb 26, 2021, China State Council Tariff Commission (SCTC) announced an extension of tariff exclusions for hardwood products

• No tariffs through September 16, 2021
US-China phase one tracker: China’s purchases of US goods

US exports and China’s imports in 2020 of all goods covered by the phase one deal

a. US exports and China’s imports of all covered goods in 2020, billions USD

- 2020 Purchase commitment (total, Chinese imports) $173.1 billion
- 2020 Purchase commitment (total, US exports) $159.0 billion

- $100.0 billion actual purchases, (Chinese imports)
- $93.7 billion actual purchases, (US exports)
Exports of US hardwood lumber to SE Asia, by country

Source: AHEC analysis of USDA FAS GATS https://apps.fas.usda.gov/gats/
Mexico and Vietnam have increased their role in global supply chains since 1990

Value added to gross exports 1990–2018, billions of dollars

a. Mexico

$166 bn

b. Vietnam

$20.4 bn

Note: Gross exports are sum of exports and reexports. The value added includes indirect domestic and foreign contents used in final exports.

Manufacturing labor costs per hour for China, Vietnam, Mexico from 2016 to 2020
(in U.S. dollars)
Exports of US hardwood lumber to SE Asia, by species

Source: AHEC analysis of USDA FAS GATS https://apps.fas.usda.gov/gats/
Top wood suppliers for Vietnam

- China: 16%
- USA: 13%
- Cambodia: 8%
- Thailand: 5%
- Malaysia: 4%
- Chile: 4%
- Germany: 3%
- Brazil: 3%
- France: 3%
- New Zealand: 2%
- Laos: 1%
- Canada: 1%
- Others: 37%
Vietnam Sawn Hardwood Imports from Temperate Regions: 2013 to 2019

Source: AHEC analysis of data from Forest Trends & Trade Data Monitor
USTR Initiates Vietnam Section 301 Investigation

10/02/2020

Washington, DC – At the direction of President Donald J. Trump, the Office of the U.S. Trade Representative (USTR) is initiating an investigation addressing two significant issues with respect to Vietnam. USTR will investigate Vietnam’s acts, policies, and practices related to the import and use of timber that is illegally harvested or traded, and will investigate Vietnam’s acts, policies, and practices that may contribute to the undervaluation of its currency and the resultant harm caused to U.S. commerce. USTR will conduct the investigation under Section 301 of the 1974 Trade Act. As part of its investigation on currency undervaluation, USTR will consult with the Department of the Treasury as to issues of currency valuation and exchange rate policy.
Vietnam relies on Asian suppliers for its exports while Mexico’s top suppliers are geographically diverse

Percent of total foreign value added to gross exports in 2019 by country

**a. Mexico**

- US: 34.9%
- China: 16.7%
- Germany: 6.5%
- Japan: 5.0%
- Canada: 3.0%
- Korea: 2.7%
- Italy: 2.2%
- France: 2.1%
- Brazil: 1.9%
- Spain: 1.7%
- Rest of world: 23.4%

**b. Vietnam**

- China: 22.9%
- Japan: 20.5%
- Korea: 7.7%
- Thailand: 5.5%
- Singapore: 5.5%
- US: 4.8%
- Indonesia: 4.5%
- Taiwan: 2.9%
- Malaysia: 2.7%
- Germany: 2.5%
- Rest of world: 20.6%
US Hardwood Lumber Exports to Mexico

Source: U.S. Census Bureau Trade Data
Mexico Manufacturing PMI™

sa, >50 = improvement since previous month

Source: IHS Markit.
Exports of US hardwood lumber to South America & Caribbean

Source: AHEC analysis of USDA FAS GATS https://apps.fas.usda.gov/gats/
Europe

OECD Projected GDP Growth Rate

outlook uneven given virus resurgence in some countries
Exports of US hardwood lumber to European countries

Source: AHEC analysis of USDA FAS GATS https://apps.fas.usda.gov/gats/
Exports of US hardwood lumber to Europe, by species

[Graph showing the volume of hardwood lumber exports by species from 2016 to 2020.]

Source: AHEC analysis of USDA FAS GATS https://apps.fas.usda.gov/gats/
Red Oak Lumber Finding New Market in Europe

Source: USDA GATS Trade Data
Growth for Species like Red Oak in Europe

Source: U.S. Census Bureau Trade Data
Exports of US hardwood lumber to NE Asia and Pacific

Source: AHEC analysis of USDA FAS GATS https://apps.fas.usda.gov/gats/
Exports of US hardwood lumber to NE Asia and Pacific, by species

Source: AHEC analysis of USDA FAS GATS https://apps.fas.usda.gov/gats/
Japanese Trade Constricts in 2020

Japan Imports of US Hardwood Products

Source: U.S. Census Bureau Trade Data
Japan is a Premium Market

Average Value per m³ of Lumber in 2020

Source: U.S. Census Bureau Trade Data
2020 saw an 11% increase in the volume of US hardwood lumber shipped to Australia and a 19% decrease in shipments to New Zealand.

White oak exports to Australia were up by 3% in volume to 17,035 m$^3$.

Remarkably, red oak exports to Australia were up by 91% to 3,172 m$^3$.

US hardwood veneer exports to Oceania increased by 55% in value to USD 1.44 million, with the vast majority going to Australia.
Emerging Markets: Middle East, India and South Africa

Mike Snow
American Hardwood Export Council
March, 2021
2020 saw a 27% decrease in the volume of US hardwood lumber shipped to the MENA region.

The biggest drops were seen in the UAE, Egypt, Jordan & Lebanon.

Surprisingly, exports to Morocco and Algeria increased last year.

US hardwood veneer exports to the MENA region increased by 12% in value to USD 22.6 million.

Significant rises in direct shipments of US hardwood veneers were seen to Turkey, the UAE and Israel.
Exports of US hardwood lumber to main markets in Africa, Middle East and Central Asia

Source: AHEC analysis of USDA FAS GATS https://apps.fas.usda.gov/gats/
Exports of US hardwood lumber to Africa, Middle East and Central Asia, by species

Source: AHEC analysis of USDA FAS GATS https://apps.fas.usda.gov/gats/
Shipments of hickory and white oak to India were up by 11% and by 31%, respectively, in 2020.

There is increasing interest in white oak from India’s designers and furniture manufacturers, but European oak is more widely available in the market.

There is a continued shift from importing U.S. hardwood logs to importing KD lumber.
Two thirds of the total volume exported to India in 2020 took place during the second half of the year.

Total exports reached 2,900 m³ in 2020 – a decrease of 28% on the previous year.

Demand for U.S. hardwoods in 2021 is expected to reach at least 2019 levels.

India is forecast to be the fastest growing major economy in 2021.
World’s 10 Largest Sawn Hardwood Importers 2015 to 2019
(Imports From All Sources)

Source: AHEC analysis of Trade Data Monitor, Forest Trends
India imported over USD 100 million of hardwood lumber in Jan-Jun 2020

Less than 1% came from the United States

Jan-Dec 2020 India market for US hardwoods:
- USD 2.5 million of veneers
- USD 2.9 million of logs
- USD 1.7 million of lumber

Source: Trade Data Monitor
Thank you. msnow@ahec.org