

## U.S. Continues Substantial Log Exports In 1999

The United States has been simultaneously the world's greatest importer of softwood lumber and its greatest exporter of softwood logs.

In 1997, the most recent year for which global trade numbers are available, U.S. logs accounted for 38 per cent by value of all softwood logs traded internationally. Other big log exporters included Russia, shipping 23 per cent of total world exports, and New Zealand, shipping 10 per cent. Canada shipped 2 per cent.

In the same year, the United States imported 39 per cent of all softwood lumber traded internationally. Another 15 per cent went to Japan, and another 10 per cent was imported by the European Union from non-European Union sources.

More current figures from the United States Department of Commerce indicate that U.S. exports of coniferous logs had declined for the fourth year in a row in 1999, but still remained at very high levels.

Throughout the 1990s, the United States exported large volumes of softwood logs to international markets, mainly in Asia. This pattern was still apparent in 1999, with the total value of U.S. log exports amounting to \$US 1,003 million. Although down sharply from \$US 2,326 million in 1993, this was a considerably larger sum than the \$US 818 of American lumber exports in 1999. It was many times greater than the \$269 (Canadian) million worth of logs exported from Canada in that year.

As the United States was exporting over a billion U.S. dollars of softwood logs in 1999, it was importing \$US 6.8 billion of softwood lumber from Canada.

<b>Exports of Softwood Logs and Lumber</b>						
	<b>U.S.A.</b>			<b>Canada</b>		
	<b>Log Exports</b> (\$US millions)	<b>Lumber Exports</b> (\$US millions)	<b>Logs As % Logs + Lumber Exports</b>	<b>Log Exports</b> (\$Cdn millions)	<b>Lumber Exports</b> (\$Cdn millions)	<b>Logs As % Logs + Lumber Exports</b>
<b>1990</b>	2,204	1,343	62.1%	102	5,250	1.9%
<b>1991</b>	1,929	1,366	58.5%	85	5,027	1.7%
<b>1992</b>	1,984	1,374	59.1%	151	6,380	2.3%
<b>1993</b>	2,326	1,401	62.4%	176	9,180	1.9%
<b>1994</b>	2,089	1,351	60.7%	123	11,011	1.1%
<b>1995</b>	2,116	1,266	62.6%	99	10,520	0.9%
<b>1996</b>	1,969	1,228	61.6%	80	12,108	0.7%
<b>1997</b>	1,476	1,111	57.1%	57	12,490	0.5%
<b>1998</b>	1,009	748	57.4%	158	11,119	1.4%
<b>1999</b>	1,003	818	55.1%	269	12,638	2.1%

**BC STATS**

It is natural enough that the United States should import lumber from a country with forestry resources as extensive as Canada's. It may be less apparent why the United States should export massive volumes of logs that could find ready markets in its own mills.

The main reason is because most U.S. forest land is privately owned, while most forest land in Canada is government owned. In both countries, timber cut on private land can be exported as logs, but timber cut on public lands must generally be milled into lumber before being shipped abroad. Logs that are exportable can often be sold at higher prices because they are put up for sale to bidders on world markets, where Asian buyers can frequently afford to pay higher prices than can be afforded by mills in North America.

This poses a far greater problem for American sawmill operators than for Canadian because such a large portion of the American log harvest is exportable. American sawmills cannot pay too much for logs because the lumber they produce from

them must compete with lumber imported from Canada, where logs are mainly non-exportable and therefore cheaper.

These have been fundamental issues behind trade disputes that have continued off and on between Canada and the United States over the years. The latest temporary solution has been the Canada – U.S. Softwood Lumber Agreement, which will terminate at the end of March next year.

Differences in the proportion of timber harvest that is exportable have produced very different profiles for forest product exports in Canada and the United States. Some measure of this can be seen by taking log exports as a ratio of exports of logs and lumber together. In 1999 this ratio amounted to 55 per cent for the United States. By comparison, the same ratio for Canada was 2 per cent.

High as it was, the 1999 U.S. ratio was the lowest it has been for at least a decade. It reached a high of 63 per cent in 1995. The ratio of logs to the sum of logs plus lumber for Canada as a whole changed little dur-

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	BC			other Canada		
	Log Exports (\$Cdn millions)	Lumber Exports (\$Cdn millions)	Logs As % Logs + Lumber Exports	Log Exports (\$Cdn millions)	Lumber Exports (\$Cdn millions)	Logs As % Logs + Lumber Exports
1990	94	3,792	2.4%	8	1,458	0.5%
1991	82	3,648	2.2%	3	1,379	0.2%
1992	148	4,634	3.1%	3	1,746	0.2%
1993	166	6,560	2.5%	10	2,620	0.4%
1994	106	7,637	1.4%	17	3,374	0.5%
1995	88	7,317	1.2%	11	3,203	0.3%
1996	59	7,749	0.8%	21	4,359	0.5%
1997	37	7,825	0.5%	20	4,665	0.4%
1998	124	6,437	1.9%	34	4,682	0.7%
1999	240	7,274	3.2%	29	5,364	0.5%

BC STATS

ing the 1990s, ranging from about 1 per cent to 2 per cent, with no consistent growth trend over the decade.

Logs were a proportionately larger part of solid wood product exports for British Columbia than they were for the rest of Canada. They accounted for 3.2 per cent of British Columbia's total exports of logs plus lumber in 1999, compared to 0.5 per cent in the rest of Canada. Logs accounted for 2.4 per cent of all solid wood products exported from British Columbia, including items such as plywood, mouldings and prefabricated houses.

These figures reflect the disproportionately large share of Canadian log exports that originate in British Columbia. Two hundred and forty million dollars of the total \$269 million of logs shipped from Canada in 1999 were cut in British Columbia forests. Throughout the 1990s British Columbia produced 88 per cent of all Canadian log exports, a substantially larger proportion than the province's 66 per cent of Canadian lumber exports over the same period.

