Hardwood Woodchip Biannual Industry and Market Outlook
A rapidly changing market

The Asia-Pacific hardwood woodchip market has undergone fundamental changes in the last four years on both the supply and demand sides. Vietnam and Thailand have emerged as significant suppliers in the region with a collective share of 46% of the region’s hardwood woodchip exports in 2011, up from 19% in 2008. On the demand side, pulp mill developments in China has led to that country increasing its market share of regional woodchip imports to 36% in 2011, up from only 7% in 2008.

WHAT NEXT FOR THE ASIA-PACIFIC HARDWOOD WOODCHIP BUSINESS?
With such rapid changes occurring in the region it is imperative that industry stakeholders have an up-to-date and in-depth understanding of the market. Key questions that the biannual report will address include:
• Are current Vietnamese and Thai export levels sustainable and is there potential for further increases?
• What new pulpmill projects are being planned and when, where and to what extent will these new projects change the regional hardwood woodchip demand and supply balance?
• What are the current woodchip price differentials between the supply countries and how is this likely to change in the future?
• How should woodchip traders and shipping companies plan in this dynamic market?
• What stumpages can forest owners realistically expect to earn, now and in the future?
• What are the current hardwood woodchip prices and what are the likely price trends going forward?
• What will be the likely impact on regional woodchip trade of the growing wood for energy market?

PÖYRY WOODCHIP BIANNUAL INDUSTRY AND MARKET OUTLOOK
Pöyry is proposing to undertake a Biannual Industry and Market Outlook report to keep track of production, consumption, trade balances and prices in the key supply and demand countries for hardwood woodchips. The biannual report will cover the six main supply countries in the region and four key demand countries.

WHY PÖYRY FOR WOODCHIP MARKET INTELLIGENCE?
• Pöyry has a strong presence in the Asia-Pacific region with over 30 consultants based in China, Australia, Indonesia, Singapore and New Zealand as well as a strong presence in South America.
• Pöyry undertakes over 100 projects annually in the Asia-Pacific region in the forest industry, and has extensive real time knowledge of woodchip markets, the pulp and paper industry and developing bioenergy markets.
Pöyry has experts in each step of the woodchip market supply chain including Forest Resources, Transport and Logistics, Wood Product Markets, Biomass and Bioenergy, Pulp and Paper Technology and Pulp and Paper End Markets.

BIANNUAL REPORT CONTENTS

- Executive Summary
- Market and Industry News
  - Forest resources – harvest level and ownership changes
  - Woodchip Mills and Export Ports – new facilities, expansions, closures
- Pulp and Paper Mill Changes - new facilities, expansions, closures
- External influences – economic, political, environmental and social with specific focus on the impact of regional biomass trade for power utilities
  » Current state of play; biomass utilisation and pellet trade
  » Policies and regulations; key drivers for biomass demand
  » Supply and availability; the relative importance of woody and non-woody biomass
  » Competing for woody biomass; utilities versus pulpmills.
- Woodchip Trade Balances – short and medium term outlooks
  - Woodchip supply volumes
  - Woodchip demand volumes
  - Supply and Demand Balance
  - Country profiles – six supply countries, four demand countries.
- Woodchip Prices
  - FOB Prices – six countries
  - CNF Prices – four countries
  - Woodchip supply chain costs – stumpage, harvest, haulage, overheads, chipping cost, port costs, taxes
  - Short and medium-term pricing trends.
Pöyry offers strategic consulting services to clients throughout the forest products value chain, from resource providers to end users. Our unique position allows us to recognise relevant driving forces and assess their impact on client business. We help clients capture strategic opportunities and avoid pitfalls.

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Hardwood Woodchip Biannual Industry and Market Outlook

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