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“Global Market Trends” a NatCon Session Recap

The final business session of HMA’s National Conference and Expo in Austin was a virtual, 60-minute presentation conducted by industry associate and American Hardwood Export Council (AHEC) Executive Director, Mike Snow. His session began with a look at how U.S. hardwoods have fared, globally.

- Despite the depth of the COVID-19 crisis, U.S. exporters fared surprising well, ending 2020 down about seven percent.
- With a global recovery underway, the United States is still the world’s largest exporter of hardwood lumber, however not the world’s largest manufacturer.
- China – the biggest global market for the U.S. - was the only major economy that actually grew in 2020. (a major producer of the world’s PPE.) Economic growth continues there, but the U.S. is losing market share to other materials and competitive products.

And what about Trade with China?

Before the most recent U.S.-China trade disagreement, the United States was China’s largest supplier of kiln-dried and sawn lumber. Now, Thailand is the largest supplier of kiln-dried hardwood lumber to the Chinese market, providing mostly rubberwood.

In February, China issued an extension of tariff exclusions for hardwood products through September 16, 2021. Going forward, Snow anticipates that the tariffs will be used as a “carrot & stick” measure to achieve other geo-political goals of the current Administration. Additionally, regarding Phase One of the U.S.-China Trade Agreement, China has not fulfilled its purchase commitment of U.S. goods. The looming question is: How will the U.S. respond?

In his presentation, Snow also discussed the United States’ limited participation in other Regional Trade Agreements. “The world is integrating,” he said. “Globalization is here. Will the U.S. be on the outside looking in? Free Trade Agreements make a difference! And the U.S. needs to get into the game.”

Regarding Emerging Markets

Vietnam is the second largest market for U.S. hardwoods. Over the last several years, growth has been steady, and there is room to grow. Species preferences include white oak and tulipwood.

Mexico is a major player in global supply chains, and the U.S. is a dominant supplier of hardwoods. Unfortunately, Mexico continues to reel from issues surrounding COVID-19. Once recovery kicks in, the country will be an important market for U.S. exports, especially hickory.

India is the fourth largest hardwood importer in the world. Unfortunately, the country is not importing from the U.S.! But according to Snow, because of anticipated population growth, the potential for American hardwoods is immense. “Moving forward,” Snow said, “India is the nut that we need to crack. It’s too large to ignore, and it’s about to get bigger.”

In his presentation, Snow discussed other emerging markets.

