

SC FOREST PRODUCTS

INDUSTRY EXPORT REPORT, 2018



International sales of forest productsⁱ from South Carolina amounted to \$1.41 billion in 2018ⁱⁱ, about 2% less than those reported in 2017ⁱⁱⁱ and 14% below export levels in 2014^{iv} (Fig. 1). Exports from the top three industries -Paper & Paperboard, woodpulp, and solid wood products- represented 52%, 33% and 9% of the total reported for 2018 respectively; whereas those from the three bottom sectors: wood furniture, wood chemicals, and equipment/machinery used for pulp/paper manufacturing, together accounted for the remaining 6% (Fig. 2). Thirty-nine percent of all wood products exports from South Carolina in 2018 corresponded to Asian markets, 27% to Europe and 17% to Mexico and Canada. Central/South America, Africa, and Australia/Oceania accounted for 12%, 3% and 2% of the state's exports in 2018 respectively. The total number of trade partners in 2018 amounted to 126, the top five being China, Canada, Mexico the U.K. and India, which accounted for 42% of the total value of exports on that year (Fig. 3).

\$1.41 Billion
2018 Total Exports

-1.55% Growth
Vs. 2017

Fig. 1. SC Forest Products Exports by \$USD Value

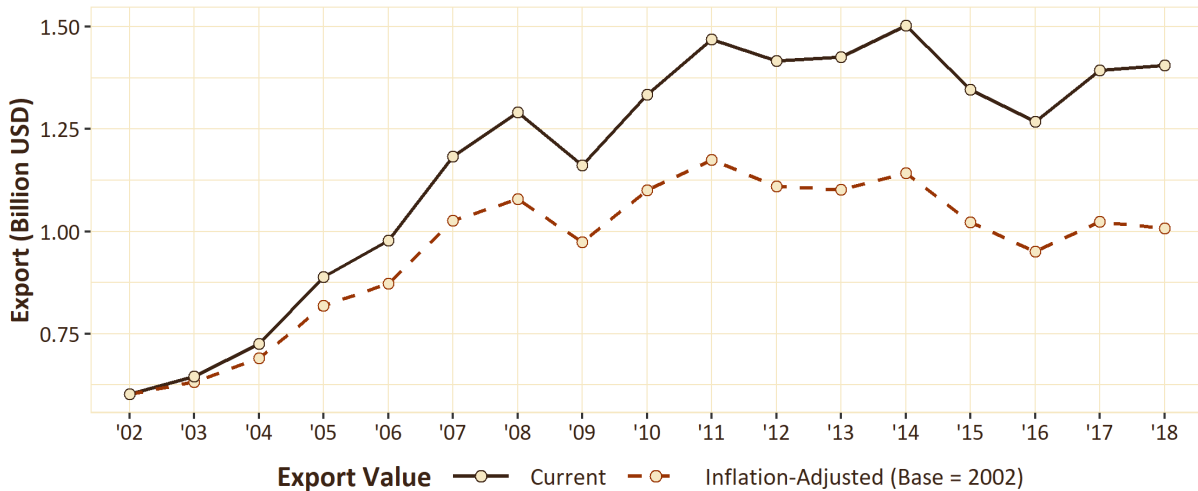


Fig. 2. SC Forest Products Exports by Sector

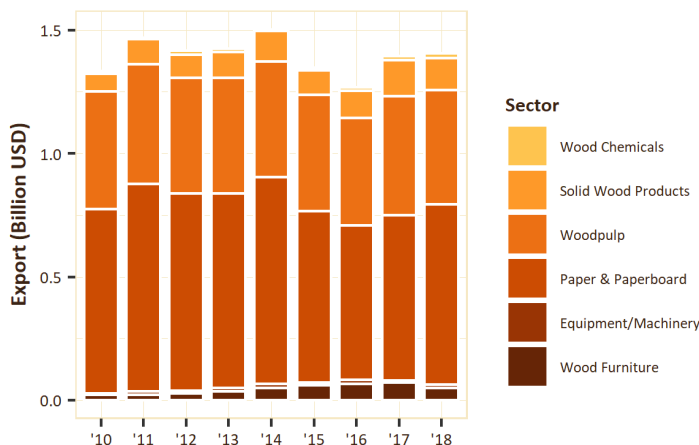
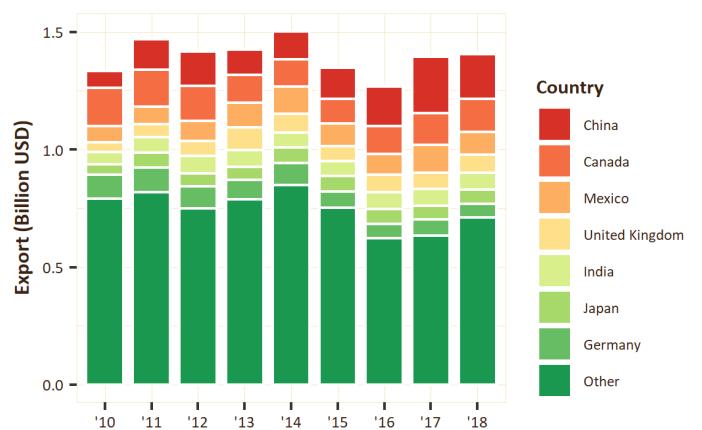


Fig. 3. SC Forest Products Exports by Partner



Paper and Paperboard

As the primary driver of forest products exports from the state, the paper & paperboard sector, observed an increase of 6% in the value of its shipments throughout 2018, reaching a total of \$729 million (Fig. 4a). Uncoated kraft paper (HTS 4804^v) and uncoated paper for writing (HTS 4802), the top two commodities within this sector, accounted for 70% of its international sales in 2018 (Fig. 4b) and found their top markets in Canada, the U.K., China, and Mexico (Fig. 8). The partner with the most substantial growth was Ecuador: exports to this South American country increased by \$15 million in 2018.

\$729 Million
2018 Exports
+6.10%
Growth Vs. 2017

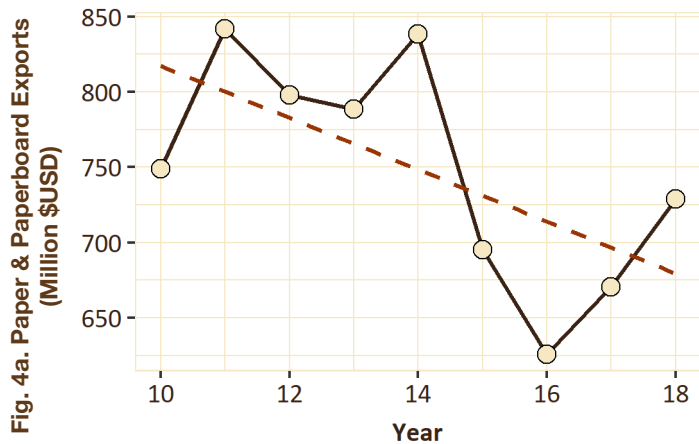
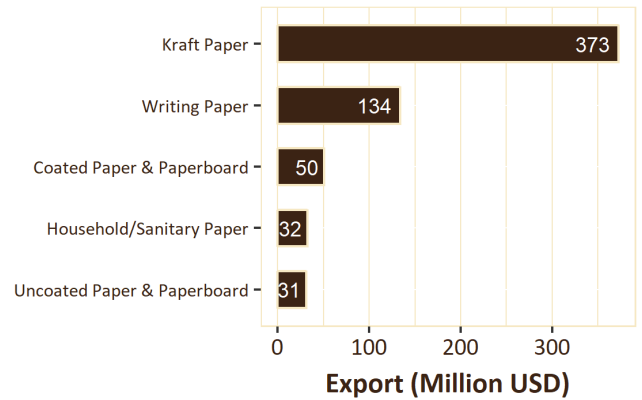


Fig. 4b. 2018 Top Products



Woodpulp

The value of woodpulp exports from South Carolina in 2018 amounted to \$463 million (Fig. 5a), most of which corresponded to soda/sulfate chemical pulp (82%, HTS 4703) and recovered (waste or scrap) paper and paperboard (15%, HTS 4707) (Fig. 5b). The top three markets for commodities within this industry were China, Japan, and India, which in 2018 accounted for 16%, 10% and 8% of the sector's total respectively (Fig. 8). Compared to 2017, woodpulp exports experienced a decrease of 6.5%, mainly driven by reduced demand from China (-\$39 million) and Mexico (-\$32 million), despite some notable growth in the South African (+\$9.3 million) and South Korean (+\$5.9 million) markets. In general, weaker demand from the markets above is the result of a gradual appreciation of the U.S. Dollar and the country's deterioration of trade relations with China (Madigan 2018).

\$463 Million
2018 Exports
-6.44%
Growth Vs. 2017

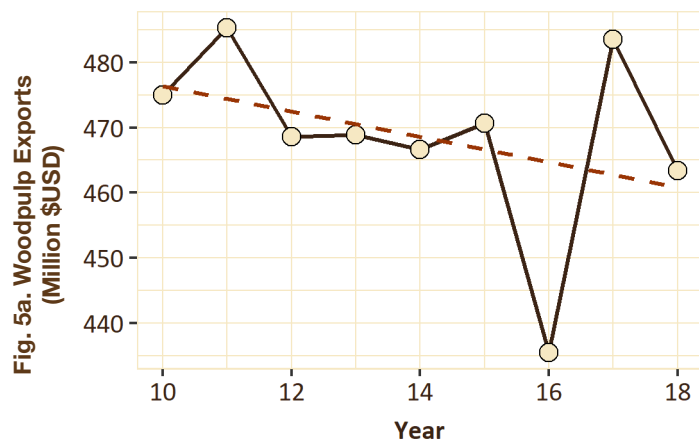
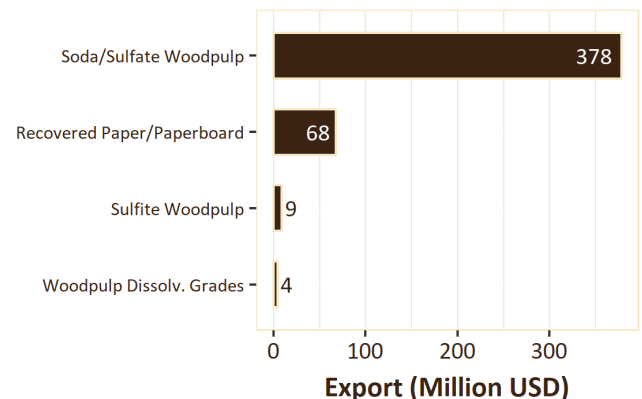


Fig. 5b. 2018 Top Products

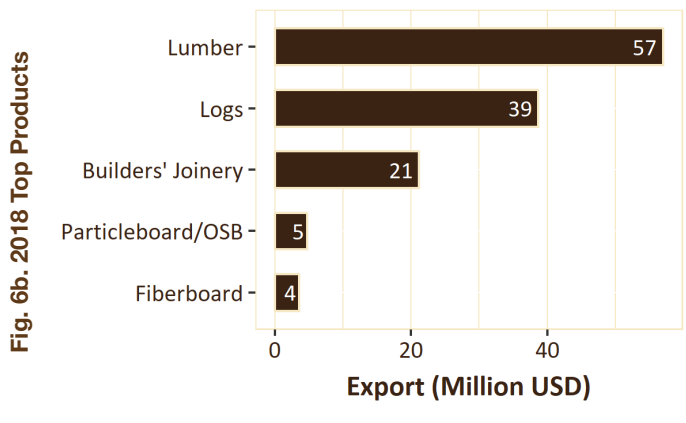
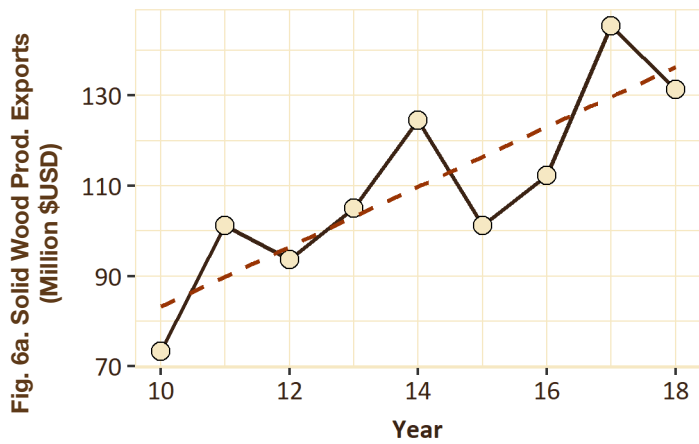


Solid Wood Products

Exports of solid wood products, the third sector in importance, totaled \$131 million in 2018 (Fig. 6a), 43% of which corresponded to lumber (HTS 4407), 29% to logs (HTS 4403), and 16% to builder's joinery and wood components (HTS 4418) (Fig. 6b). The top five markets accounted for 71% of the total in 2018: China (30%), India (13%), Canada (11%), Vietnam (10%), and Australia (7%) (Fig. 8). This sector also experienced a decrease in exports: -12% compared to 2017, mostly driven by China (-\$23 million) and Bangladesh (-\$1.5 million), also due to the appreciation of the U.S. Dollar and the current state of trade relations with China (Le 2019).

\$131 Million
2018 Exports

-12%
Growth Vs. 2017



Other Sectors

The state's wood furniture sector exported \$50 million in 2018, for a 30% decrease since 2017^{iv} (Fig. 7a). Almost 92% of this total corresponded to seats, and the top four markets (Fig. 8), whose combined share of the state's exports amounted to 67% in 2018, were: Russia, Malaysia, and Thailand (44%, 12%, and 11% respectively). The total exports of wood chemicals from South Carolina amounted to \$19 million in 2108, for a 14% increase since 2017^{iv} (Fig. 7b). Trade with South Korea, South Africa, and China (Fig. 8.) represented 53% of the state's total in 2018 (22%, 17%, and 14% respectively). Approximately 90% of the value of this sector's shipments corresponded to tall oil.

\$50 Million
2018 Furniture Exports

\$19 Million
2018 Wood Chemical Exports

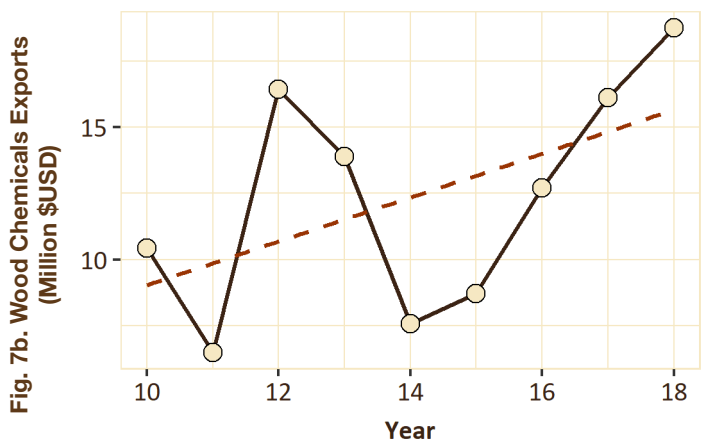
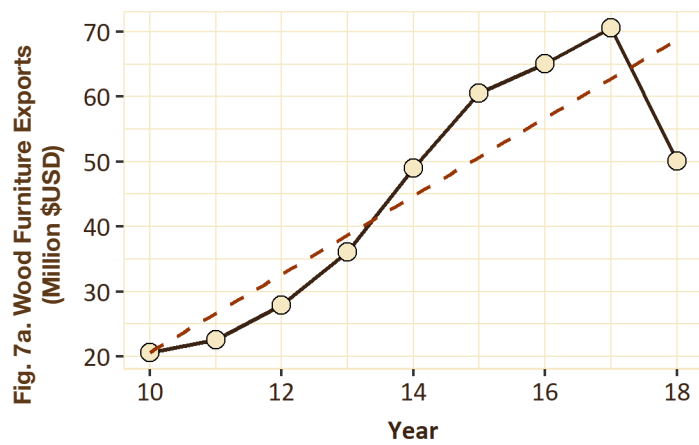


Fig. 8. SC Forest Products Exports in 2018

Top 10 Markets per Sector by Value (Millions \$USD and percentages)

Rank	Wood Chemicals				Solid Wood Products				Woodpulp				Paper and Paperboard				Wood Furniture			
	Country		Export		Country		Export		Country		Export		Country		Export		Country		Export	
			Millions \$USD	%	Millions \$USD	%	Millions \$USD	%	Millions \$USD	%	Millions \$USD	%	Millions \$USD	%	Millions \$USD	%	Millions \$USD	%		
1	S. Korea	4	22	China	39	30	China	75	16	Canada	103	14	Russia	22	44					
2	S. Africa	3	17	India	18	13	Japan	45	10	U.K.	73	10	Malaysia	6	12					
3	China	2	14	Canada	14	11	India	38	8	China	72	10	Thailand	6	11					
4	France	2	12	Vietnam	13	10	Italy	34	7	Mexico	70	10	Brazil	3	6					
5	Finland	2	11	Australia	9	7	S. Korea	28	6	Germany	51	7	India	2	5					
6	Canada	1	7	Japan	6	4	Mexico	25	5	Ecuador	36	5	Egypt	2	5					
7	Thailand	1	5	Pakistan	5	4	Colombia	24	5	Netherlands	32	4	China	2	4					
8	Netherlands	1	4	U.K.	3	2	Malaysia	20	4	Italy	21	3	Canada	2	3					
9	Brazil	<1	2	N. Zealand	2	2	Poland	19	4	Philippines	18	3	Mexico	1	2					
10	India	<1	1	UAE	2	2	Canada	15	3	S. Korea	18	2	Germany	1	2					

Africa | Asia | Australia & Oceania | Central/South America & The Caribbean | Europe | North America

List of References

Le, Thi. 2019. *IBISWorld Industry Report:32111 Sawmills & Wood Production in the US. Strong Roots: Low Unemployment and High Corporate Profit Will Drive Growth.*

Madigan, John. 2018. *IBISWorld Industry Report 32211: Wood Pulp Mills in the US. Pulp Friction: Weakened Downstream Demand and Falling Exports Have Inhibited Revenue Growth.*

Notes


ⁱ For the purpose of this report, the term “forest products industry” encompasses five main sectors: wood-based chemicals, solid wood products, woodpulp, paper and paperboard products and wood furniture, as defined in the 2018 U.S.

Harmonized Tariff Schedule for chapters 38 (3803, 3805, 3807), 44, 47, 48 and 94 (940161, 940169, 940330, 940340, 940350, 940360, 940610) respectively.

ⁱⁱ All trade figures offered in this study are sourced from the U.S. Census Bureau’s Origin of Movement Report Series, unless otherwise noted

^{iii, iv, vi, vi} Comparison of the value of exports adjusted for inflation at 2002 U.S. Dollar value.

^v HTS: Harmonized Tariff Schedule Heading



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The goal of this report is to provide timely information on international markets and export activities that are and will be relevant for the development of the South Carolina’s forest products industry. This document offers insights on international trade of the state’s forest products and the most promising destinations for each product category. Historic trade data is based on the U.S. Census Bureau’s “Origin of Movement (OM)” state export series, which is intended to measure state exports on the basis of transportation, not manufacturing origin. The included figures are presented to offer a perspective on the composition of exports from the state, on the basis of origin transportation.