# Wood and wood products trade with USA: Tariffs in Context: #2

- In 2024, Australia's wood and wood products trade deficit with the USA was AUD84.2 million
- 2024 exports to the USA were AUD9.9 million
- 2024 imports from the USA were AUD93.2 million

Read the companion piece on paper and paperboard trade here.

As the US President continues to dismantle world trade by introduction of tariffs and other means, IndustryEdge continues to cast a spotlight onto the facts.

This is the second in a series from IndustryEdge, that will address specific details of bilateral and multilateral trade in the materials, sectors and industries in which we are involved, for both Australia and New Zealand.

**Tariff headlines**

Australia has been hit with the 'base' 10% tariffs on its imports to the USA. This will impact wood and wood products trade, as well as wood products trade. However, many other countries – especially countries with whom Australia has significant trading positions – face far higher tariffs for trade into the USA. A full list is available here.

As the world has come to learn, the rationale for the tariffs is a mix of misunderstanding, economic voodoo and a failure to check whether some locations were even countries or inhabited by anything more than penguins.

Laughable certainly, but not a joke.

Global capital and stock markets have faltered significantly since the announcement (which has already come into force). Investors are recalculating risks and devaluing assets the world over. Major institutions now say global recession is a 50/50 bet and a US recession is pretty much assured.

It's a rerun of the 1930 Smoot-Hawley Tariff Act that created a trade war that extended the Great Depression by years and was opposed almost universally outside the US and by nearly all economists and business leaders. Sound familiar?

Below, we outline the headline facts of Australia's trade in wood products with the USA.

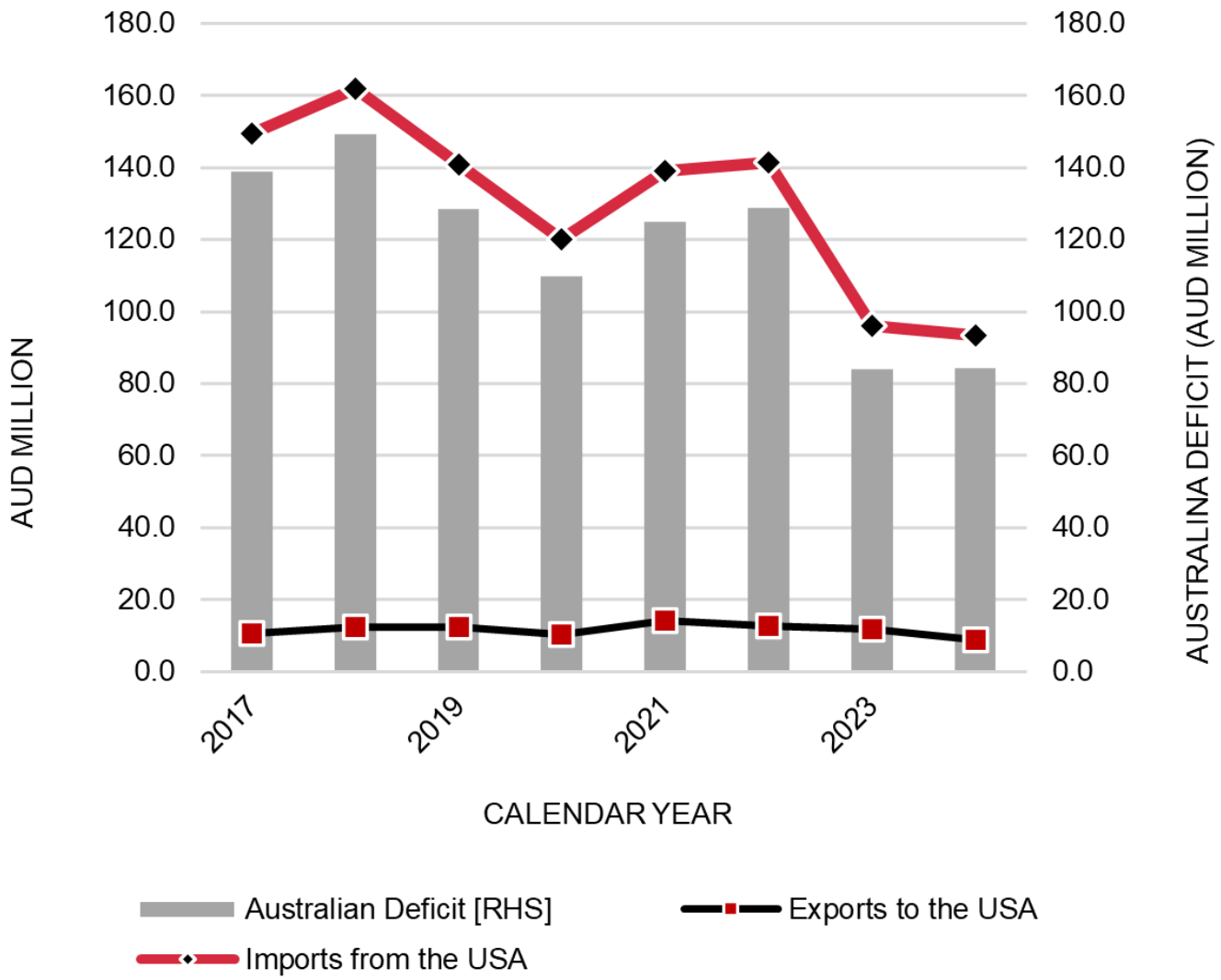
**Australia has a wood and wood products deficit with the USA**

In calendar year 2024, Australia operated a trade deficit for wood and wood products with the USA, valued at AUD84.2 million. That is, Australia exported wood and wood products valued at AUD9.0 million, but imports from the USA were valued at AUD93.2 million. That balance of trade deficit was the lowest in many years.

Imports from the USA accounted for 3.5% of total wood and wood products imports by value. The USA was the fifth largest supplier to Australia, with total imports valued at AUD2.657 billion.

Exports to the USA accounted for just 0.5% of total wood and wood products exports by value. The USA received the ninth highest value of Australian products, which in aggregate were valued at AUD1.639 billion, dominated by woodchip exports.

**Australia's Bilateral Balance of Trade with the USA in Wood & Wood Products: 2017 – 2024 (AUDM)**



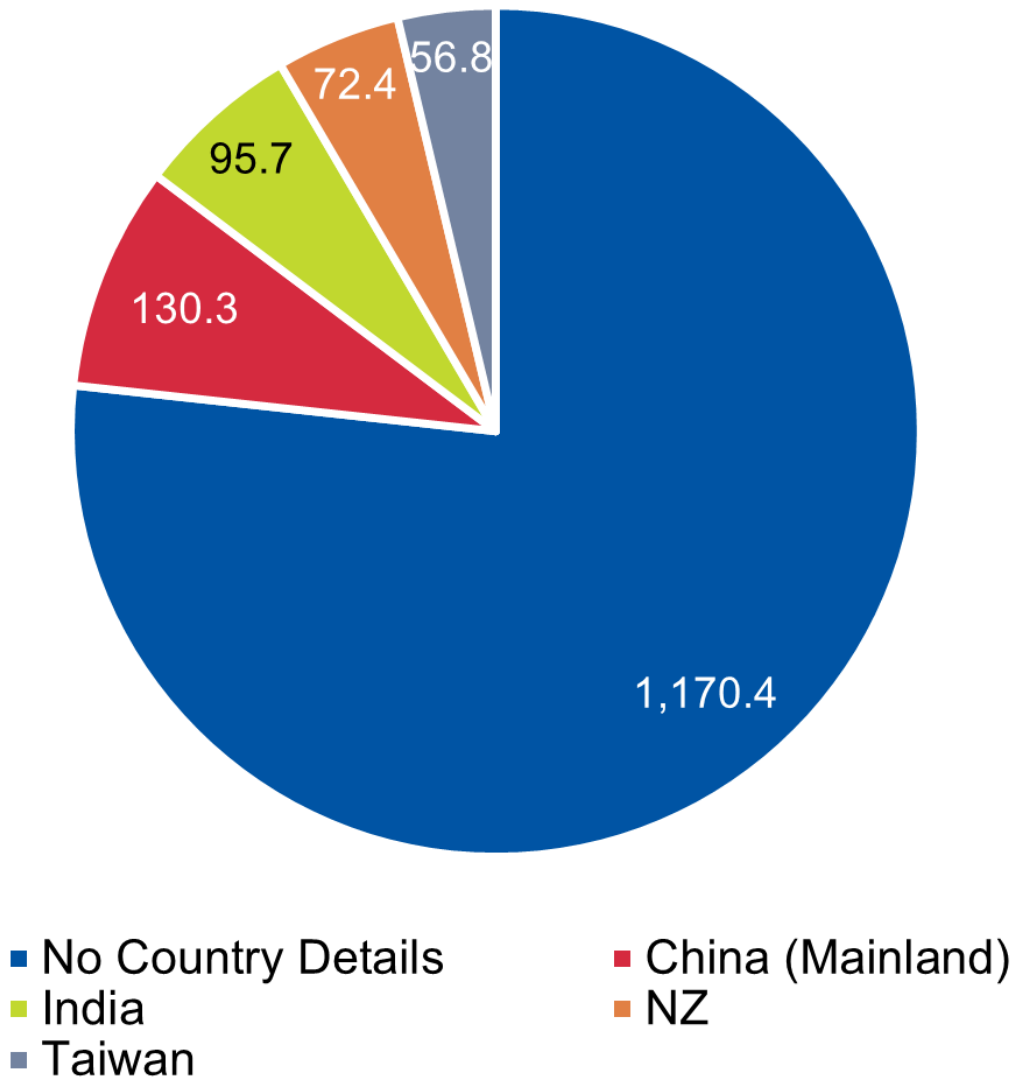

Source: ABS, derived and IndustryEdge

**Australia's exports of wood and wood products**

In 2024, Australia exported wood and wood products valued at AUDFob1,638.9 million. Nearly one third went to New Zealand and close to 15% was delivered to the USA. Australia's exports went to 155 countries over the year. The chart shows the top five 'countries', the table shows the top 14.

It is notable that 'No Country Details' dominates. This is the entirety of Australia's hardwood and softwood woodchip exports, most of which are delivered to China and Japan.

**Australia's Wood & Wood Products Exports by Main Country: 2024 (AUDM & %)**




| AUDM | 2024 | % of Total |
|---|---|---|
| No Country Details | 1,170.4 | 71.4% |
| China (Mainland) | 130.3 | 8.0% |
| India | 95.7 | 5.8% |
| NZ | 72.4 | 4.4% |
| Taiwan | 56.8 | 3.5% |
| Reunion | 19.8 | 1.2% |
| Malaysia | 17.6 | 1.1% |
| Indonesia | 13.0 | 0.8% |
| Korea, South | 10.1 | 0.6% |
| USA | 9.0 | 0.5% |
| Vietnam | 7.6 | 0.5% |
| Thailand | 6.5 | 0.4% |
| Japan | 4.5 | 0.3% |
| Other | 25.4 | 1.5% |
| **TOTAL** | **1,638.9** | |

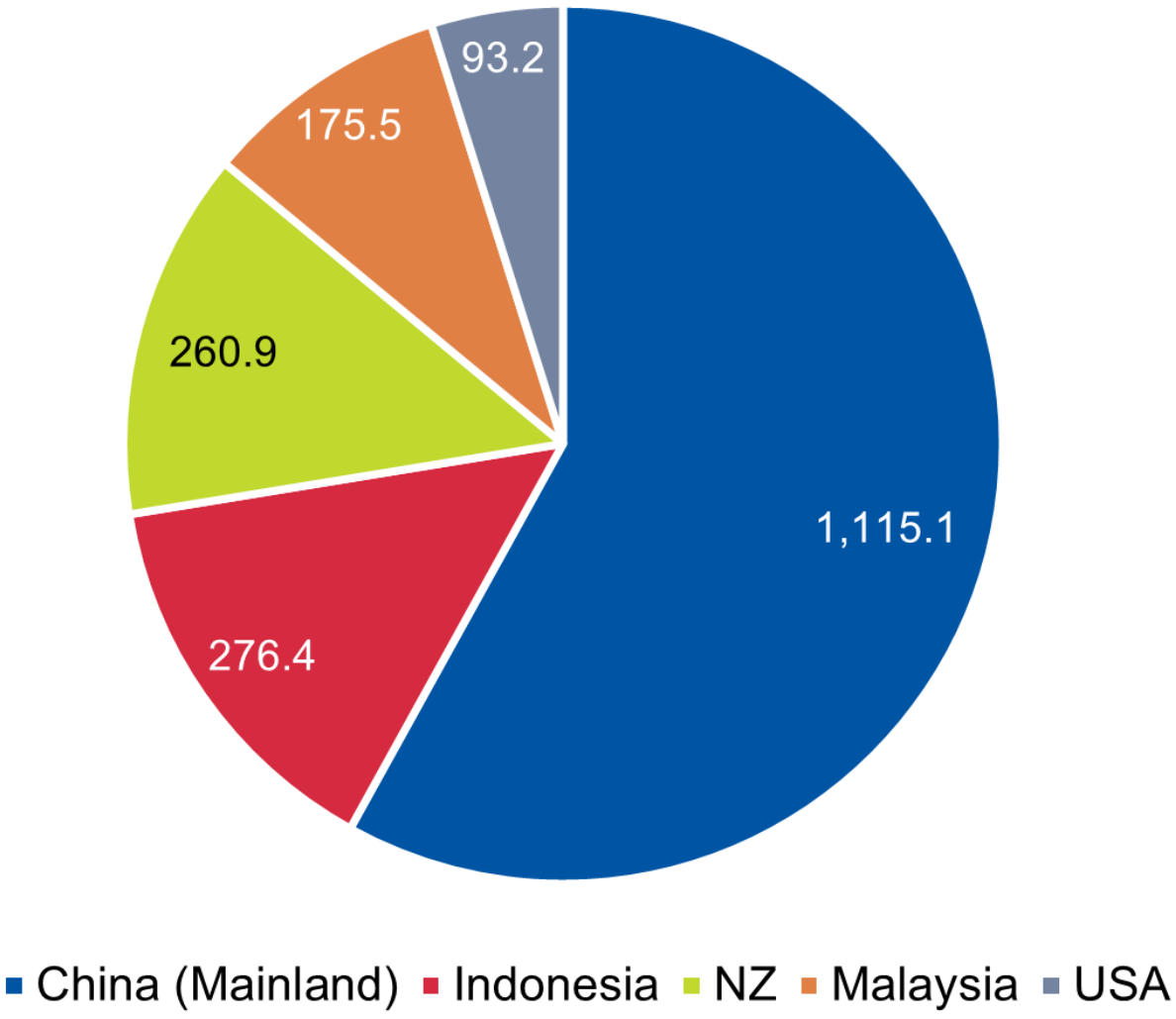
Source: ABS, derived and IndustryEdge

**Australia's imports of wood and wood products**

In 2024, Australia imported wood and wood products valued at an enormous AUDFob2,656.5 million. China delivered 42.0 % of that – more than AUD1.1 billion worth, with the USA in fifth place behind Indonesia, New Zealand and Malaysia.

The chart shows the top five countries, the table shows the top 12, but again, it is relevant that Australia received shipments from 126 countries in 2024.

**Australia's Wood & Wood Products Imports by Main Country: 2024 (AUDM & %)**




| AUDM | 2024 | % of Total |
|---|---|---|
| China (Mainland) | 1,115.1 | 42.0% |
| Indonesia | 276.4 | 10.4% |
| NZ | 260.9 | 9.8% |
| Malaysia | 175.5 | 6.6% |
| USA | 93.2 | 3.5% |
| Germany | 70.6 | 2.7% |
| Lithuania | 63.0 | 2.4% |

| | | |
|---|---|---|
| France | 61.6 | 2.3% |
| Finland | 51.7 | 1.9% |
| Poland | 49.0 | 1.8% |
| Vietnam | 47.5 | 1.8% |
| Other | 392.0 | 14.8% |
| **TOTAL** | **2,656.5** | |

Source: ABS, derived and IndustryEdge

**This trade war is isolationism, not protectionism**

The regrettable, worrying and seemingly ill-considered positioning of the US President can have many effects. Not least is a slowdown in global economic conditions, as trade reduces and as a minimum, is completely disrupted.

In arguing the tariffs amounted to 'liberation' for America, we are entitled to ask the proponent, Mr Trump, 'liberation from what?' We will resist the temptation to borrow from the Orwellian playbook, in which liberation may be considered code for enslavement. Instead, it seems likely the liberation to which Mr Trump refers, is liberation from the rules of global trade.

In turning to old-fashioned and failed protectionist measures and engaging the world in a trade war that only the most desperate sycophants and client states are likely to join, the US President is retreating to isolationism, masked by an increasingly disturbing version of nationalism.

As The Economist magazine wrote this week:

> "Although Mr Trump has committed one of the worst policy blunders of all time, he was lucky enough to inherit a strong economy. How much pain can it take?"

Retaliatory actions are already underway against US manufactured goods and companies. That is hardly surprising, and not a recipe for reinvigorated manufacturing. The extent of consumer-level reactions against US products may never be fully understood, but can be observed to some extent, in respect of Tesla's electric car sales.

When the Smoot-Hawley Act was in full force in 1931-33, the US economy tanked: GDP collapsed, both imports and exports fell dramatically and the unemployment rate doubled. Arguably, those tariffs extended the Depression.

By 1934, the tariffs were much-reduced, though it took the Second World War for the US to recover properly.

Following the intercession of World War II, the global trade architecture heralded by the Bretton Woods Agreement, the International Trade Organisation (ITO) and the General Agreement on Tariffs and Trade (GATT) (the USA and Australia were among the eight original signatories) were quickly installed, heralding a period of substantial and open international trade.

When the World Trade Organisation replaced the ITO and the GATT in 1995, both countries were again at the forefront.

Today, that openness and the architecture supporting it, is again threatened by US isolationism.

*IndustryEdge will progressively post fact-based updates on the US war on trade, the tariffs and their implications. Follow along at www.industryedge.com.au/news, and for subscribers to our data and analysis services, Wood Market Edge online and Pulp & Paper Edge, stay tuned for exclusive content and analysis.*