Woodchip exports caught up in global pulp market war

GEELONG, AUSTRALIA: In the ever-evolving landscape of the woodchip trade, the latest report for July 2025 brings forth some intriguing insights and trends. This summary of the latest analysis from IndustryEdge's Wood Market Edge online delves into the performance of Australian woodchip exports, the global pulp market, and the dynamics of the Asian chip trade.

Australian Woodchip Exports: A Mixed Bag

In May 2025, Australian woodchip exports totaled 351.2 kbdmt, marking an 8.3% decline from the previous month. The annual exports slipped to 4.934 million bdmt. Hardwood chip exports saw a slight decrease of 0.6% to 301.6 kbdmt, while softwood chip exports plummeted by 38% to 49.6 kbdmt.

The average export prices for hardwood and softwood chips were AUDFob257/bdmt and AUDFob222/bdmt, respectively.

Global Pulp Market: Pressures Mounting

June witnessed a further decline in global pulp prices, driven by macro-economic pressures, weak seasonal paper demand, and over-capacity.

The Chinese Bleached Softwood Kraft (BSK) price fell by USD15/t to USD695/t, while the Bleached Eucalypt Kraft (BEK) price dropped by USD5/t to USD495/t. The price differential between BSK and BEK in China stood at USD200/t.

Hawkins Wright attributes these price falls to rising pulp producer inventories and the lack of buyer interest due to difficulties in downstream paper markets. The competition between Chinese domestic producers and South American suppliers continues, with the latter historically delivering BEK pulp to China at lower prices. However, the current market conditions, characterized by low demand and high global capacity, challenge this price supremacy.

Asian Chip Trade: Stability Amidst Fluctuations

The Asian chip trade showed some positive signs in May, with global hardwood chip deliveries to China increasing by 29.6% to 1.289 Mbdmt. Softwood chip deliveries also saw a significant rise of 125.9% to 0.021 Mbdmt.

However, over the year-ended May, hardwood chip deliveries to China were 3.4% lower compared to the previous year. Japan's softwood chip imports, on the other hand, were 16.0% higher over the same period.

IndustryEdge's data sets on Asian country chip imports is currently being upgraded, with new countries being added. More information will be available in coming weeks.

Navigating a Difficult Market

The woodchip trade and global pulp market are navigating through a period of significant fluctuations and challenges. While Australian woodchip exports face a mixed performance, the global pulp market

is under pressure due to economic factors and over-capacity.

The Asian chip trade shows some stability, but the overall market dynamics remain complex. As we move forward, it will be crucial to monitor these trends and their implications for the industry.

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