

# South Carolina Forest Products Export

Based on information gathered from 2007 to 2010

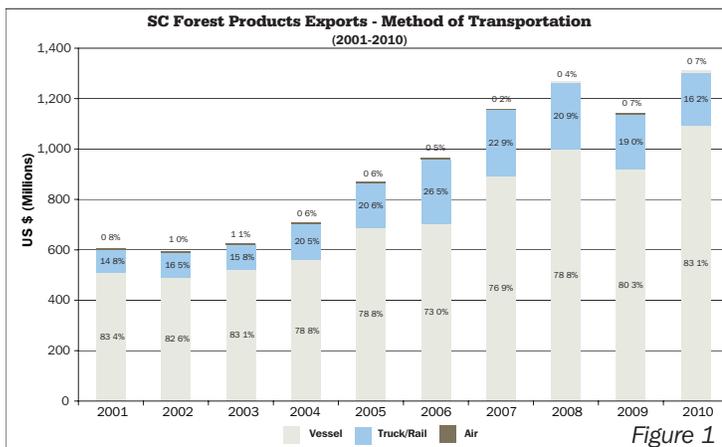


## Forest Products: A Growing Industry

- South Carolina exports about **\$1.3 billion** in forest products annually.
- The forest industry's **economic impact** on the state's economy is **more than \$17 billion annually**.
- **Forestry ranks #1** among the state's manufacturing industries in jobs (90,624) and payroll (\$4.1 billion).
- Timber is South Carolina's **#1 cash crop at \$679 million** annually.

## Mode of Transportation

Overall, exports of forest products have doubled since 2001, from exports valued at \$604 million in 2001 to more than \$1.3 billion in 2010. However due to the recession in 2009, there was a slight decrease in exports but the figures have since improved (Figure 1).



Most of South Carolina forest products leave the state via vessels; but ground transportation has remained steady in recent years for wood products, paper/paperboard and pulp/paper machinery.

Forest products (paper and paperboard, wood pulp and logs/lumber) remain as the number one export moved through the port of Charleston, accounting for more than 30% of the total cargo volume in 2010. Less than 1% of all forest products were exported by air.

## Global Demand on the Rise for S.C. Products

South Carolina forest products are in demand around the world (Figure 2). Our customers are well-diversified across many countries, illustrated by the fact that the top five foreign destinations for forestry products account for only 38% of the total forest products exports to foreign nations. Total exports to Canada during the four-year period between 2007 and 2010 amounted to \$843 million. Exports to Germany (\$367m), Italy (\$298m), Netherlands (\$357m) and China (\$240m) complete the list of the top five export destinations.<sup>1</sup>

Rank	Paper/Paperboard	Wood Pulp	Wood and Articles of Wood	Wood Furniture	Prefabricated Buildings	Wood-Based Chemical Products	Pulp/Paper Processing Machinery
1	Canada (0)	Italy (0)	Canada (0)	Czech Republic (+3)	Canada (+4)	China (0)	Canada (0)
2	Netherlands (+2)	Germany (0)	Japan (+2)	Panama (0)	Russia (n/a)	Switzerland (n/a)	Pakistan (+26)
3	Germany (-1)	S. Korea (+4)	China (-1)	Germany (0)	Trinidad and Tobago (n/a)	Finland (n/a)	Colombia (+5)
4	UK (+4)	India (+5)	Australia (+2)	Canada (+5)	Thailand (n/a)	S. Korea (-1)	Malaysia (+25)
5	Mexico (0)	Belgium (0)	Taiwan (-2)	India (+7)	Bahamas (-2)	UK (0)	Mexico (0)
6	Turkey (+3)	China (-3)	Korean Republic (+9)	Russia (+12)	Germany (n/a)	Rep of South Africa (-4)	Poland (+14)
7	China (-1)	Japan (+1)	Vietnam (0)	Ecuador (-2)	Antigua and Barbuda (+3)	Nigeria (n/a)	Germany (+3)
8	France (-5)	Mexico (+2)	Germany (+6)	Jordan (n/a)	Chile (-1)	Canada (-4)	Taiwan (+7)
9	Ecuador (-2)	Poland (-3)	New Zealand (+9)	Saudi Arabia (-2)	Australia (n/a)	India (+1)	Turkey (+17)
10	Taiwan (+7)	Netherlands (-6)	UK (0)	Dominican Republic (-4)	N/A	Indonesia (+8)	Indonesia (n/a)

\* Top Markets represent countries which account for the most commodity sales in 2010

(+/-): amount moved up or down in ranking from 2009 to 2010, (n/a): no exports in 2009

■ North America ■ Asia ■ European Union ■ South America ■ Middle East ■ Other

Figure 2

<sup>1</sup>This study includes export figures for the following major forest products: paper and paperboard, wood pulp, wood products, wood furniture, wood-based chemical products, pulp and paper processing machinery and prefabricated buildings.

# Pulp and Paper Remain Leading Forest Product Exports for S.C.

South Carolina's forest products exports have increased by 12.8% in the last four years, from \$1.18 billion in 2007 to \$1.33 billion in 2010. However, due to the economic recession, the industry saw a decline of almost 11%, or \$127 million, in exports from 2008 to 2009. Paper and paperboard exports, as well as wood products such as lumber were especially hard hit – declining in aggregate by about \$162 million. However, the decline in exports of the aforementioned products was balanced out by the growth experienced in the wood pulp, wood furniture, pulp and paper processing machinery and prefabricated buildings exports sector (Figure 4).

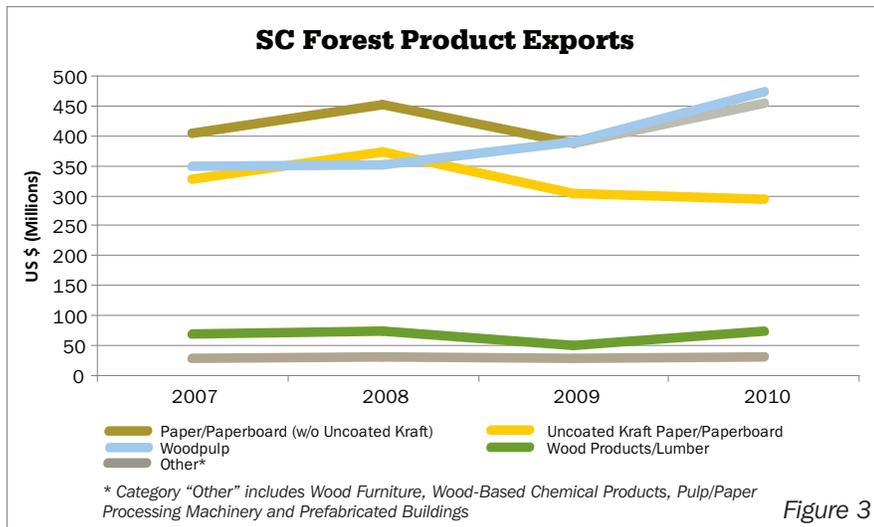


Figure 3

The demand for South Carolina wood pulp exports continues to grow, and in 2010 wood pulp exports have superseded all other South Carolina forest product exports. Overall, wood pulp exports grew by 36% or \$126 million since 2007 (Figure 3). Total export figures for last four years were valued at \$1.56 billion. This has been the sole category that did not seem to be affected by the 2009 recession and exports have increased every year (Figure 3). Last year exports of wood pulp increased significantly (by 21% or \$83.6 Million). Most of these customers come from Italy, Germany and the Korean Republic, with India and Belgium completing the top five export markets list.

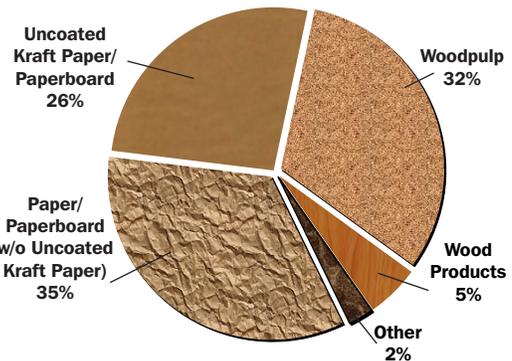
Between 2007 and 2010, the top forest products exported from South Carolina were paper and paperboard-related products, wood pulp and wood products. During this period, paper and paperboard products accounted for almost \$3 billion, some 60% of total South Carolina forest products exports. Uncoated kraft paper and paperboard accounted for 26% of the category, while the remaining 35% of exports were other paper-related products. The top destinations of paper and paperboard products in 2010 were Canada, Netherlands, Germany and the United Kingdom. However, exports to Canada have experienced a continuous decline since 2007, with total annual exports of paper and paper-board related products being \$83 million less in 2010 than in 2007.

## Wood-Related Products Contribute To Global Success

Wood product exports amounted to \$267 million between 2007 and 2010. Lumber accounted for \$116 million of wood exports, while other segments (carpentry, logs, pallets and particleboards) are fairly evenly distributed. In 2009, lumber export dropped dramatically with only a total of \$49 million worth of lumber being exported. However, in 2010 exports increased by 49% to \$73 million, reaching pre-recession levels. Overall, wood exports are well diversified across many countries. Exports to Canada have continued to grow despite the recession—almost 36% of all wood exports in 2010 went to Canada. Other major export markets are Japan, China, Australia and Taiwan.

Wood-based oils, pulp and paper-making machinery, wood furniture and prefabricated buildings amounted to 2% of overall forest product exports. Tall oil and pine oil exports valued at a total of \$38 million from 2007 to 2010. Pulp and paper-making machinery, wood furniture and prefabricated buildings added \$30 million, \$38 million and \$12.8 million, respectively, to South Carolina's forest product exports for the last four years. The top destinations for tall oils and pine oils are China and South Korea. Pulp and paper processing machinery is exported primarily to Canada. The Czech Republic became an important market for wood furniture, with exports to the country increasing by almost 25% from 2009. The market for prefabricated buildings remains unpredictable with the main export destination in 2010 being Canada, as compared to 2009, when the main destination was Iraq.

Top SC Forest Products Exports (Total 2007-2010)



Wood Products

Top 5 Categories (Total Exports 2007 - 2010)



Figure 4



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Forest data provided by:  
 South Carolina Forestry Commission,  
 South Carolina Ports Authority and  
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