Market evolution: Sawn wood (CN 4407) — 2015–2025

Introduction

Between 2015 and 2025 the European Union's external trade in sawn wood (heading 4407, "Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness of > 6 mm") was reshaped by geopolitical disruption, price surges and a profound reconfiguration of both import sources and export destinations. The heading bundles a wide range of coniferous and non-coniferous species, as detailed in the product scope. Over the eleven-year window the EU's trade surplus in this commodity more than doubled, fuelled by a collapse in import volumes and robust export value growth despite falling outbound quantities. This report identifies three main dynamics that explain the market's evolution.

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1. The collapse of eastern supplies and the restructuring of EU imports

Russian and Belarusian sawn wood flows are eliminated by sanctions

Before 2022, the Russian Federation and Belarus were the EU's two largest external suppliers of sawn wood. In 2015 they accounted for a combined value of EUR 672 million. By 2025 both had effectively disappeared from the market. Russian imports fell from EUR 530.6 million to zero, and Belarusian imports from EUR 141.5 million to zero. The physical exit is even starker: Russian volumes collapsed from 2.03 million tonnes to nil, while Belarusian volumes dropped from 0.74 million tonnes to nil. The algorithm detected two supply shocks centred on 2023 (Belarus) and 2025 (Russia), each recording a 100 % quantity shift.[1] These exits are the single most important factor behind the restructuring of EU imports.

[1] Supply shock events

Import volumes plummet while average prices more than double

The disappearance of large volume flows from Russia and Belarus is mirrored in the headline import figures. Total extra-EU import quantity fell by 62.2 %, from 6.14 million tonnes to 2.32 million tonnes. Simultaneously, average import prices surged by 101.8 %, from

EUR 367/t to EUR 741/t. Consequently, the import value contracted by a more modest 23.7 % (EUR 2 254 million to EUR 1 719 million). The steep price increase was reinforced by broad-based inflationary pressure that also affected other origins; for example, Belarusian and Norwegian import prices peaked in 2021–2022, as recorded by the price-shock detection.[2]

[2] Price shock events

Ukraine, Norway and tropical Africa emerge as critical alternative suppliers

Four partners partly filled the gap left by Russia and Belarus:

Import partner	Value 2015 (M EUR)	Value 2025 (M EUR)	Change (%)
Ukraine	241.3	274.4	+13.7
Norway	92.4	215.7	+133.4
Cameroon	205.0	179.9	–12.2
Bosnia & H.	72.2	81.5	+12.9

Ukraine remained the largest single import source, although quantities from Ukraine declined over the period. Norway's volumes grew from 0.24 million tonnes to 0.40 million tonnes, and its share of EU imports rose considerably. Cameroon maintained a relatively stable flow, while Bosnia and Herzegovina also increased supplies. Detailed partner shares are shown on the top partners dashboard.

Import source concentration falls markedly

The forced diversification is reflected in a falling Herfindahl-Hirschman Index (HHI) of import value. The HHI dropped from 1 017 in 2015 to 803 in 2025 (−21 %), indicating a significantly less concentrated supplier base than before the sanctions.[3]

[3] Concentration indicators

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2. Export growth driven by the United States and sustained by higher prices

The United States surpasses Japan and Egypt as the second-largest extra-EU market

EU exports of sawn wood to the United States grew by 584.1 %, from EUR 170 million in 2015 to EUR 1 165 million in 2025. The US was already the fastest-growing destination before the pandemic, but the real inflection came in 2020–2021 when EU exporters received sharply higher unit prices; the detected price shock for the US shows a 155 % shift centred on 2020 with a post-shock average price of EUR 802/t. The US is now the EU's second-largest export market, well above Japan and Egypt.

The United Kingdom remains the dominant export destination, with post-Brexit trade staying robust

Despite the UK's departure from the single market, it remained the top buyer throughout the entire period. Exports to the UK rose from EUR 1 419 million to EUR 2 050 million (+44.5 %). A sharp price shock was recorded in 2021 (shift +72.6 %), after which prices settled at a higher plateau. Physical volumes to the UK were stable, oscillating around 3.3–3.5 million tonnes.

China and Algeria lose ground, while Japan and Saudi Arabia hold steady

Export partner	Value 2015 (M EUR)	Value 2025 (M EUR)	Change (%)
United Kingdom	1 419.2	2 050.1	+44.5
Egypt	650.5	602.7	–7.3
United States	170.2	1 164.6	+584.1
China	476.3	402.0	–15.6
Japan	601.8	659.8	+9.6
Algeria	451.2	333.7	–26.0
Saudi Arabia	305.6	329.5	+7.8

China and Algeria contracted, partly because of slowing construction activity and, in Algeria's case, import restrictions. Japan and Saudi Arabia recorded mild increases, benefitting from stable demand and higher prices. The export partner rankings underscore a pivot towards higher-income markets.

Export values rise by a third despite a 15 % drop in volumes, as unit prices soar

Overall extra-EU export value increased by 32.8 %, from EUR 6 033 million to EUR 8 009 million, while tonnage fell by 15.0 % (from 17.56 million tonnes to 14.93 million tonnes). The implicit average export price rose by 56.2 %, from EUR 344/t to EUR 537/t. Value growth therefore came entirely from higher unit prices, a pattern that held across almost all major destinations.[4]

[4] Aggregated trade data

3. Diverging specialisation and internal EU market shifts

Forest-rich Nordic and Baltic members remain highly specialised, while southern and western Europe hold limited export orientation

The 2025 revealed comparative advantage (RSCA) scores confirm a clear core-periphery pattern. Finland (RSCA 0.84), Latvia (0.84), Sweden (0.75), Estonia (0.74) and Croatia (0.73) are the most specialised exporters of sawn wood within the EU. Together they account for a disproportionate share of extra-EU exports. At the other end, Ireland (−0.96), Greece (−0.90), Spain (−0.79) and the Netherlands (−0.73) show extremely low, often negative, specialisation, acting mainly as traders or consumers rather than producers. The full specialisation map is available on the dashboard.

Germany and Austria record the strongest export value gains among EU reporters

Among member states, Germany's extra-EU exports nearly doubled, rising from EUR 647 million to EUR 1 270 million (+96.3 %). Austria also surged from EUR 280 million to EUR 439 million (+56.7 %). Sweden, already the largest EU exporter, expanded from EUR 1 786 million to EUR 2 496 million (+39.8 %). Finland and Latvia grew more moderately (respectively +17.7 % and +42.9 %). These figures, taken from the member-state reporters view, point to a supply response concentrated in the central European and Scandinavian timber industries.

Romania and Slovenia buck the trend with declining export values

Romania, once a major sawn wood shipper, saw its extra-EU exports fall by 36.9 % (EUR 561 million to EUR 354 million). Slovenia's exports also contracted by 12.1 % (EUR 275 million to EUR 242 million). These declines may reflect domestic resource constraints, rising log exports to neighbouring countries, or a shift towards processed wood products not captured under heading 4407.

Import concentration drops while export concentration edges slightly higher

The HHI for imports fell from 1 017 to 803 (−21 %), consistent with the forced diversification described earlier. For exports, the HHI rose from 999 to 1 111 (+11.2 %), indicating a slightly more concentrated set of destination markets, largely because the United States' share of total exports expanded from 3 % to 15 %.[5]

[5] Concentration evolution

Conclusion

The 2015–2025 period transformed the EU sawn wood market from a high-volume, moderate-price trade into a smaller-volume, high-price environment dominated by geopolitical realignments. The complete withdrawal of Russian and Belarusian supply forced rapid import diversification, with Ukraine, Norway and African producers gaining share. On the export side, the European industry capitalised on soaring global demand — most notably from the United States — to lift values substantially even as physical shipments fell. Internally, the EU's competitive advantage remained strongly anchored in the Nordic-Baltic forestry cluster, while Germany and Austria expanded their roles as leading exporters. The result is a trade surplus that has swelled from EUR 3.8 billion to EUR 6.3 billion, a market that is now less concentrated on the import side, but more exposed to price volatility and to the policy choices of a few large destination economies.

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