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Potential Expansion of Soviet Far East Log Exports to the Pacific Rim

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Executive Summary

International trade in sawlogs and veneer logs is concentrated in the Pacific Rim. According to world forestry statistics (Food and Agricultural Organization of the United Nations, 1989), Japan, the People's Republic of China, Taiwan, and South Korea accounted for 72% of the world imports of sawlogs and veneer logs in 1987. The volume of world trade in coniferous logs and nonconiferous logs is roughly equivalent, as is the coniferous-nonconiferous import mix for these countries as a whole.

The Soviet Union plays a critical role in the Pacific Rim market for coniferous logs. The Soviet Union accounted for 25% of Japanese coniferous log imports in 1987 and 41% of Chinese imports. Japan is the principal market: Just over 5mm m³ were exported to Japan in 1986 and 1987. The peak year for Soviet coniferous sawlog exports to Japan occurred in 1978 when shipments totaled 7.9mm m³. The recent decline in the volume of Soviet sawlog exports to Japan may be explained by a reduction in total Japanese coniferous sawlog imports, and more importantly, by the growth of the Chinese market for softwood sawlogs. The Soviet Union exported 2.5 mm m³ to China in 1987.

The Soviet Union exported 9.0 mm m³ of sawlogs in 1987, slightly below the 9.2 mm m³ exported in the 1986 peak, and on a par with the previous peak of 9.4 mm m³ in both 1977 and 1978 (Foreign Trade Statistics of the USSR, various years). Because Japan and China are the primary destinations, the vast majority of sawlog exports originate from the Eastern Soviet Union. Although Eastern Siberia makes a significant contribution to these export totals, the Far East is the dominant supplier and will continue to be in the future. Data on log exports for the early 1970s suggest that the Far East originated over 80% of the volume destined for the Pacific Rim (based on data from Barr, 1989). It is likely that the Far East has experienced a small decrease in its share in recent years due to the increasing importance of the Chinese market, and the resulting improvement in Eastern Siberia's competitive position.

Potential Timber production in the Soviet Far East is enormous. The Far East accounts for 33.5% of the Soviet forest land, and 31.4% of the stock of mature coniferous trees. The 1983 Far Eastern growing stock volume of 20.7 billion m³ (bm³) is similar to the timber volume in the entire U.S. (21.4 bm³ in 1986 (Haynes, 1988)), or in Canada (23.1 bm³ in 1986 (Canadian Forestry Service, 1988)).

How much timber will the Soviet Far East supply to the Pacific Rim in the future: This paper addresses this complex question by examining a wide array of relevant issues such as timber inventory, timber availability, institutional factors, environmental constraints, infrastructure, labor and capital availability, and domestic consumption needs. We conclude that increases in future log exports are likely to be quite limited. While lack of infrastructure and labor and capital shortages pose important problems, these are secondary to constraints on timber availability. Although the Soviet Far East has vast timber reserves, economic conditions, environmental restrictions, and institutional factors limit the possibilities for additional harvesting.

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