

U.S Hardwood Industry Suffers From China Trade War

The U.S. Hardwood Lumber industry has a heavy reliance on export markets for its survival, and is being devastated by the ongoing trade dispute with China. Domestic mills have suffered sharp declines in export sales. Operations have been shuttered. Jobs lost. Communities, reliant on good paying hardwood jobs, ruined.

“The hardwood industry is a fully integrated industry, from logging to manufacturing finished consumer goods like flooring, cabinetry, moldings, railway ties and many other products,” says Hardwood Federation Executive Director, Dana Lee Cole. “The ongoing trade dispute with China and the declared tariffs on U.S. hardwood products are serious threats to the viability of the industry, and the people it employs.”

In 2018, U.S. hardwood producers shipped products worth \$3.9 billion to global markets; \$1.9 billion to Greater China, including Hong Kong and Macau. As a result of the impacts of tariffs imposed in the fall of 2018, the U.S. had a trade surplus of \$1.293 billion in hardwood lumber, down from \$1.475 billion in 2017.

Over the last three quarters, hardwood exporters lost \$153 million per quarter, as a result of the 10 percent tariffs imposed by China. When the current tariffs increase to 25 percent, we expect to see a steep acceleration of loses. Clearly, dependable, long-term export markets are essential to the sustainability of the hardwood industry.

According to a recent economic impact study conducted by the Washington D.C.-based Hardwood Federation, the U.S. hardwood products industry is an important contributor to the U.S. economy, adding \$348 billion to the economy, overall. Additionally, hardwood producers and manufacturers directly support more than 685,000 jobs in 25,000 facilities, generating \$35 billion in annual income.

Related industries, including transportation, retail, forest ownership and logging, support more than 1.1 million jobs, generate an additional \$67 billion in income, and add another \$212 billion to the economy.

“If these tariffs continue in this current application,” says Cole, “our logging and sawmill production will disappear as an industry sector, and the secondary jobs and manufacturing companies depending on loggers and sawmill operations will quickly follow.”

The Hardwood Federation represents 26 U.S. hardwood-focused trade associations, state forestry and lumbermen organizations. Please visit [the Federation website](http://www.hardwoodfederation.com) for more information.

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