Land use changes in other countries are likely to increasingly impact land-based sectors of the U.S. economy, including the forestry sector. Various factors influence competition among land uses, and such relationships are affected by shifts in international economic conditions. Future changes in timberland area in the South will be influenced by two types of land area changes in other countries: (1) timberland area and (2) agricultural area, primarily for crops competing with major U.S. South crops. These can be thought of as direct and indirect timberland area linkages between countries. The indirect linkage via agricultural area changes is illustrated by the clearing of bottomland hardwoods prompted by increased export demand for soybeans. A unique aspect of the U.S. South from an international perspective is the region's land use dynamics, including the relatively frequent and somewhat cyclical shifting of uses on the same tracts.

Assessing the South's future competitive position for timber production involves examining prospective shifts in factor prices, technologies, and fixed factors relative to the world market prices of these commodities. The U.S. South has several advantages in future competition in world forest production: forest growth rates in the region are sharply higher than those of other major world suppliers, the existing wood inventory contains a relatively high percentage of commercially usable species, access to timber stands is some of the best in the world, and current conditions are favorable for continued net reversions of agricultural land to forest in the U.S. South. However, recent successes with industrial forest plantations in the tropics and Southern Hemisphere raise the likelihood of a shift in comparative advantage in producing industrial wood away from the U.S. South and the northern hemisphere.