

**THE NETHERLANDS
NATIONAL MARKET REPORT 2019**

**PRESENTED TO
THE 77th SESSION OF THE UNECE COMMITTEE ON
FORESTS AND FOREST INDUSTRY
4-7 NOVEMBER 2019
GENEVA, SWITZERLAND**

Institute for Forestry, Forest Products and Services, Probos
Netherlands' Paper and Board Association, Royal VNP
Netherlands' Timber Trade Association, Royal VVNH
Ministry of Agriculture, Nature and Food Quality
Ministry of Infrastructure and Water Management

1. General economic trends affecting the forest industries sector¹

Economy is flourishing

CPB (Netherlands Bureau for Economic Policy Analysis) forecasts that the Dutch economy will grow by 1.8% in 2019 and 1.5% in 2020. The slowdown in growth is the consequence of the extensive uncertainty surrounding international trade (mainly US trade policy) affecting the confidence of companies and consumers. The disposable income for households is increasing due to increases in contract wages and employment. Resulting in higher consumption and increased domestic spending. Business investments growth is still substantial in 2019, but is expected to decline next year in response to lower economic growth. Mainly as a result of decreasing exports. The unemployment stays remarkably low. With 3.3% in March and April 2019 the unemployment was lower than before the financial crisis. Unemployment stays low in 2019 (3.4% (300,000 persons)) 2019, but will slightly increase in 2020 (3.6%). Still one of the lowest unemployment rates in the EU.

Next year will be the sixth year in a row that the economic growth in the Netherlands is equal or higher than that in the rest of the Eurozone.

Domestic spending main driver

Both private consumption, company investments and investments in housing are the main drivers for economic growth in the Netherlands. The growth in company investments slows down, despite low financing costs, This decline is the consequence of weaker growth of the foreign sales and increased uncertainty regarding the economic developments. The investments in house still grows, but at a slower pace. Despite scarcity on the housing market.

Although the growth rate prognoses of private consumption show some slowdown the favourable developments of disposable income in both 2019 and 2020 still leads to robust growth in private consumption. In 2019, the increase in income is mainly due to strong growth in employment, while in 2020 real wage increases and tax cuts ensure a high growth in disposable income. The increase in real disposable income peaked in 2018. Reaching the highest level since the late 1990s. However as consumer confidence is reducing the actual consumption of households is expected to decrease if 2017 and 2019 are compared, but is still growing.

Housing market

The housing industry is traditionally important for the timber industry. After the sharp decline in completed house-buildings of approximately 40% from 2008 to 2012, in recent years the situation has turned around. Partly resulting from stimulating measures of the Dutch government and also due to the low mortgage rates. The number of newly built houses completed in 2018 increased by almost 6% compared to the year before. The number of house building permits granted just slightly increased between 2017 and 2018. This slowdown in growth is the consequence of lacking construction sites and development capacity at municipalities and private developers.

Based on the figures of the first half of 2019, the total number of newly built houses will be approximately 65,800 this year. This is slightly lower than last year's expectations. The major banks and the EIB² expect that the production will stabilise or slightly decrease

¹ <https://www.cpb.nl/sites/default/files/omnidownload/CPB-Policy-Brief-2017-08-Juniraming-2017.pdf>

² Economisch Instituut voor de Bouw (Economic Institute for Construction)

in 2020. The main reason for this are the stagnating number of building permits granted and shortages in the availability of skilled personal and building materials.

2. Policy measures influencing timber trade and marketing

Sustainable procurement policy

In the view of the Dutch government, public procurement of sustainably produced timber is very important to give timber producing countries a clear signal regarding consumers' willingness to purchase sustainably produced products at reasonable prices and thus increase such purchases. It also sets an example for semi-governmental organisations and the private sector to introduce sustainably produced timber in their procurement criteria and by doing so, contribute to sustainable forest management.

In June 2008 the Dutch national government established its sustainable procurement policy. By implementing this policy the government intended to increase the use of sustainably produced products. Therefore all governmental organisations must use sustainability as an important criterion when purchasing goods. This way the Dutch government intends to stimulate the market for sustainable products and promote innovation within companies. Clear goals were set. As of 2010 the Dutch government has the ambition that all timber procured by central government should come from a sustainable source. Municipalities and provinces were aiming at 100% by 2015.

Part of the sustainable procurement policy is a set of criteria for sustainably produced timber, the Dutch Procurement Criteria for Timber. Based on these criteria the government can assess whether the offered timber is produced sustainably. The Timber Procurement Assessment Committee (TPAC) is responsible for the assessment of certification systems for sustainable forest management according to the Timber Procurement Assessment System (TPAS). TPAC advises the Dutch Ministry of Infrastructure and Water Management. The minister decides on the final acceptance. Information on the TPAS criteria and the TPAC judgements can be found on the TPAC website (www.tpac.smk.nl).

The website www.inkoopduurzaamhout.nl has been set up to support procurers and suppliers in their efforts to procure or supply sustainably produced timber.

EU Timber Regulation

Until February 2017 over 200 inspections have taken place at 195 operators by the Dutch Competent Authority, the NVWA. Due to strict enforcement, the implementation of the EUTR by the private sector has increased and increasingly impacts further processed wood products.

Sustainable Energy Agreement

The Dutch Ministry of Economic Affairs agreed with key stakeholders like energy producing companies, environmental groups on promoting sustainable energy so that by 2020 the share of sustainable energy should reach 14% of the total domestic energy consumption. As energy from wind and sun are not able to meet this share, a significant part must come from solid biomass, among which imported wood pellets. To qualify for subsidy the biomass used for large scale energy production must apply to a comprehensive set of sustainability requirements including sustainable forest management, greenhouse gas reduction and carbon debt³.

³ <http://english.rvo.nl/subsidies-programmes/sde/sustainability-criteria>

Climate agreement

At the end of June 2019 the National Climate Agreement of the Netherlands was presented by the coalition and cabinet. The aim of this agreement is at least a 49% reduction in CO2 emissions by 2030 compared to 1990. Optimists are even aiming for a 55% reduction. The underlying aim is compliance with the Paris Climate Agreement, in other words a maximum 2-degree temperature increase compared to 1990, and preferably just 1.5 degrees.

Climate Agreement contains a package of measures which has the broadest possible base of societal support, which has the active support of as many contributing parties as possible and which will achieve the political reduction target of 49% in 2030. The agreement was established through meetings of authorities, companies and interest groups at five so-called climate tables. The five tables are: Electricity, Built Environment, Industry, Agriculture & Land Use, and Mobility. At each table a package of measures have been formulated and agreements between parties have been concluded that together comprise the contribution of each of the five sectors to achieve the climate objective.

The forestry- and timber sector is covered by the sector table Agriculture & Land Use. A specific sub-table titled 'trees, forests and nature' is dedicated to the optimization of the contribution of forest and nature (including the timber- and other related sectors) to reach the climate goals, but to also play its role in climate change mitigation. Budget has been made available by the government to develop tools that can be used within the sector to optimize the contribution of the sector. Ranging from establishment of new forests to increasing the use of (domestic) timber in for instance the construction sector.

Forest and Wood Action Plan

Forest and timber organisations, in collaboration with NGO's and other sectors, have drawn up an Action Plan on Forests and Timber, on the contribution to the green economy. The plan proposes to intensify the roundwood harvesting in a sustainable way, to plant new forests, and to use more timber in construction. This plan was presented at the National Climate Summit in October 2016 and received support from the Dutch Prime Minister and state secretary of the ministry of the Environment and Infrastructure. Currently the first activities have started as part of the Action Plan, e.g. in the field of Climate Smart Forestry.

The so called Coalition Forest and Timber is responsible for the further development and promotion of the interventions or actions formulated in the Action Plan in the coming years.

National Forest Strategy

The Dutch minister of Agriculture, Nature and Food Quality has announced that she will develop a national forest strategy in close cooperation with the most important partners such as provinces and nature managers (public and private). The forest strategy will be aligned with the forest visions, which the provinces have announced within the climate table of the National Climate Agreement (see above). The national forest strategy is needed to ensure greater coherence with regard to forest, nature and climate policy. The forest strategy will cover four main topics/issues:

1. The forest strategy will deal with the choices and dilemmas in nature and forest management in the Netherlands. Examples are the transformation from forest to other nature, the trade-off between the various functions of the forest (such as biodiversity, carbon capture, timber production and recreation) and the desired

- forest expansion in relation to other spatial functions (such as agriculture, urbanization, landscape).
2. It will describe the importance of forests in the context of climate policy. In doing so attention is paid to maintaining carbon stocks by combating deforestation, capturing carbon through the establishment of new forests and increasing the resistance of forests to climate change.
 3. The importance of forests in the context of international biodiversity will be mentioned in the strategy as well. The following issues are important in this context:
 - a. Protecting forests worldwide and reducing the pressure on the remaining forest area, for example through more efficient agriculture.
 - b. Worldwide promotion of sustainable forest management, for example through the use of green financing instruments (public and private).
 - c. Reducing the ecological footprint in the world, for example through the commitment of the Netherlands to the import and consumption of wood and agricultural raw materials such as palm oil, cocoa and soy.
 4. The promotion of the sustainable timber chain is addressed in the forest strategy, both for imports and for nationally produced timber.

Netherlands Circular in 2050

The outcome of latest Dutch government climate change and wider environmental policy decisions could be increased market opportunity for wood. The country's aim is to create a truly 'circular economy' over the next 30 years, with the stress on using products and materials that can be re-used, recycled and ultimately disposed of in an environmentally sound way. To this end the government submitted the policy paper 'Netherlands Circular in 2050' to the House of Representatives in 2016. In the follow up of this policy ambition the National Agreement on the Circular Economy⁴ has been signed by more than 300 businesses and social partners like NGO's. At the beginning of 2019 the Dutch Cabinet presented the implementation program for the circular economy. This implementation program presents concrete actions and projects for the period 2019-2023 for the sectors: biomass and food, plastics, manufacturing industry, construction and consumer goods.

Covenant Sustainable Forest Management

More than two years ago (March 2017) the covenant Promoting Sustainable Forest Management (Bevorderen Duurzaam Bosbeheer) has been signed by 32 representatives of the timber industry, the construction, furniture and retail branch organizations, trade unions, civil society organizations and the Dutch government in the presence of Dutch Minister for Foreign Trade and Development Cooperation, Lilianne Ploumen. The covenant brings together key public, private, civil society and knowledge sector partners – all needed to scale market demand for sustainably produced forest products. The covenant builds on the previous 'Green Deal' Sustainable Forest Management. Signatories pledge to encourage sustainable forest management through procurement and promotion of sustainably sourced timber and wood products. The first year of the covenant was used to get a better understanding of the mechanisms behind and bottlenecks that prevented further growth of market share. In the second year actions were formulated that will be implemented during the third year.

⁴ <https://circulaireeconomienederland.nl/grondstoffenakkoord/documenten+grondstoffenakkoord/handlerdownloadfiles.ashx?idnv=702477>

3 Developments in Dutch forest products markets sectors

a) Wood raw materials

Removals of roundwood, chips and shreds from the Dutch forests and other wooded area's in 2018 are estimated as 2,380,000 m³ under bark in total. A slight decrease of almost 2% compared to 2017.

Industrial roundwood has a share of slightly more than 32% within the total removals. The rest of the removals mainly consist of wood fuel as logs or chips and shreds, including those from landscape care wood and municipal waste streams.

Consumption of industrial roundwood decreased by 21% due to the closure of the largest sawmill in the Netherlands. The share of export within the total removals of industrial roundwood in the Netherlands was more than 50% in 2018. The export of pulpwood has a share of almost 75% in the total exports of industrial roundwood.

b) Wood energy

The share of renewable energy in the Netherlands increased from 6.6% in 2017 to 7.4% in 2018⁵. This increase of 0.8 percentage point is mainly caused by an increase in the production of renewable energy from biomass, especially as biodiesel and biogasoline. Based on the current trend and the expected future developments the Dutch National Energy Outlook will increase substantially in the coming years, but the aim of 14% renewable in 2020 won't be met. The aim of 16% in 2023 is however expected to be reached⁶.

Total gross consumption of energy from biomass increased by 12.2% in 2018 compared to 2017. Biomass has a share of 61% within the total consumption of renewable energy in 2018. It is mainly used in the production of electricity and heat in waste incinerations, domestic heating and as biofuel for road transport. The co-firing of biomass in utilities was one of the main producers of renewable energy from biomass. This co-firing of biomass (pellets) in utilities has however been substantially reduced due to a temporary end of the subsidy scheme. As a result the total share of biomass within the total production of renewable energy in the Netherlands has reduced, but it will probably regain position if the utilities start co-firing again (see section 3h as well).

If waste incineration is excluded the biomass fuels for the production of heat and energy can be generally categorized as fuelwood, wood chips and -shreds/shrips, agricultural residues, residuals from the food and snack industry, bio-oil and animal waste. In 2018 app. 20% of the renewable energy produced in the Netherlands was derived from woody biomass. approximately 2.2 million ton dry matter of woody biomass was estimated to be used for the production of energy and heat in the Netherlands. The majority of this woody biomass originated from the Netherlands.

c) Certified forest products

The market share of certified primary timber products (sawn wood and wood-based panels) on the Dutch market in 2017 was 84.7%, which corresponds to a volume of 5.1 million m³ roundwood equivalents under bark. This concerns primary timber and timber products (sawnwood and wood based panels) that meet the Dutch Procurement Criteria for Timber. Differences between the product groups are large. While sawn softwood and wood-based panels have a market share of respectively 84.8% and 92.5%, sawn tropical hardwood (67.1%) and sawn temperate hardwood (37.8%) are lagging behind.

⁵ <https://www.cbs.nl/nl-nl/nieuws/2019/22/aandeel-hernieuwbare-energie-naar-7-4-procent>

⁶ <https://www.cbs.nl/en-gb/news/2017/42/the-hurdle-race-for-the-energy-transition>

Results from an internal monitoring system of the Netherlands Timber Trade Association for the year 2018 indicates growth continues within most product groups, but the market share within the product group sawn tropical hardwood decreased for the first time since the measurements started. Next year's monitoring results will show if this trend continues.

d) Sawn softwood

After a period of decreasing imports and consumption since 2007 (see figure 2), the sawn softwood market in the Netherlands recovered in 2015 and this recovery continues. The imports and consumption for the year 2018 do show an increase of 8% and almost 5% respectively. Imports of rough sawn softwood timber increased by 17%, while imports of further processed (planed) sawn softwood timber decreased by 5%. Rough sawn softwood has a share of 64% of the total softwood import (Table 2). Stocks remained at a low level and are expected to decrease in the coming years.

Table 1
Key facts of the Dutch sawn softwood market x 1000 m³

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Domestic Production	144	104	169	137	159	163	129	126	110	82
Net Imports	1,988	2,145	2,120	1,861	1,779	1,789	1,987	1,928	2,187	2,315
Stock Change	-25	-50	0	-50	0	0	10	5	5	0
Apparent Consumption	2,157	2,299	2,289	2,048	1,938	1,952	2,106	2,049	2,292	2,397

Sources: Statistics Netherlands (CBS) / Netherlands Timber Trade Association (Royal VVNH) / Probos

Table 2
Sawn softwood imports (volume in m³)

Countries	2015				2016				Sawn	Planed	Total
	Sawn	Planed	Total	%	Sawn	Planed	Total	%			
1 Sweden*	251,833	451,195	703,028	28%	249,821	450,848	700,669	25%	-1%	0%	0%
2 Germany*	293,372	287,086	580,458	23%	418,978	200,961	619,939	22%	43%	-30%	7%
3 Russia	279,910	62,536	342,446	13%	270,592	93,260	363,852	13%	-3%	49%	6%
4 Finland*	232,420	43,686	276,106	11%	220,543	39,048	259,591	9%	-5%	-11%	-6%
5 Belarus	128,135	3,106	131,241	5%	196,512	3,907	200,419	7%	53%	26%	53%
6 Belgium	78,505	54,780	133,285	5%	94,289	46,306	140,595	5%	20%	-15%	5%
7 Latvia*	79,191	67,647	146,838	6%	81,710	58,576	140,286	5%	3%	-13%	-4%
8 Ukraine	36,882	2,910	39,792	2%	60,975	320	61,295	2%	65%	-89%	54%
9 Estonia*	26,401	30,908	57,309	2%	26,277	22,599	48,876	2%	0%	-27%	-15%
10 Poland	19,481	18,842	38,323	1%	23,353	21,333	44,686	2%	20%	13%	17%
Other (*)	108,034	58,426	166,460	7%	154,877	91,627	246,504	9%	43%	57%	48%
Total	1,534,164	1,081,121	2,615,285		1,797,927	1,028,785	2,826,712		17%	-5%	8,1%

* Other: This group consists of 27 countries with exports to the Netherlands of less than 35,000 m³
(Source: CBS trade statistics edited by Probos and international trade statistics of Sweden, Germany, Finland, Letland and Estonia)

The top ten countries for softwood import in the Netherlands have not changed between 2017 and 2018 (table 2). Sweden and Germany remain by far the foremost suppliers of softwood timber to the Netherlands. The total import volume from Sweden was more or less stable compared to last year, The imports from Belarus and Ukraine increased substantially. Making Belarus the fifth most important supplies of softwood to the Netherlands. Imports from Finland, Latvia and Estonia decrease between 2017 and 2018.

e) Sawn hardwood (temperate and tropical)

Due to favourable market conditions, tactical and strategic purchase and a delay in shipments from Brazil in 2017 imports of tropical hardwood peaked in 2018 (+52%). As the demand did not grow in the same rate stocks are at a high level. Resulting in an expected decrease in imports for 2019 and 2020.

The imports of temperate hardwoods stayed at the same level as in 2017 and lays much higher than in the years before. This high imports are the result of an increase in the imports of so called mixed hardwoods by the packaging industry from for instance the Baltic states and

Ukraine. Due to the expected contraction in international trade the demand from the packaging industry is expected to decrease in 2019 and 2020 resulting in possible decreasing imports of temperate hardwoods.

The share of further processed/optimized tropical sawnwood keeps increasing in the Dutch joinery industry resulting in more demand for timber from Asian producing countries, but the share of African timber species within these imports are increasing. Demand is shifting from Meranti, traditionally the species most used in the Dutch joinery industry, to Mahogany.

The prospects within the Dutch market for (tropical) hardwoods are a lot better than in the years before. The construction sector is recovering. The gardening sector benefits of this recovery as well, though with some delay. The market for temperate hardwoods is expected to benefit from the recovery of the construction sector and the housing market from 2018 onwards as well. As interior products and furniture are bought at the end of the construction cycle there is a delay compared to tropical timber used in construction. European oak is by far the most popular species within the temperate hardwoods. There is a huge demand for European oak, with almost daily price increases.

According to Statistics Netherlands the turnover of the timber industry increased in the second quarter of 2019 by 9.0% compared to the second quarter of 2018. The companies within the timber and construction materials industry expect that their prices will decrease or stabilise in the second half of 2019 for the first time in two years. The producer confidence of the timber and construction materials industry decreased during 2019 especially during the summer period, but showed a sharp increase in September 2019. Making it the most positive industry sector in the Netherlands again.

The Dutch market for tropical hardwoods can be subdivided into two submarkets: 1) the construction sector. DIY and garden and 2) the market for waterworks (civil engineering). The first submarket is growing due to the recovery of the construction sector. However, the growth is not (yet) in line with the strong recovery of the number of permits for new houses. This is due to the fact that due to the recession contractors have difficulties finding enough (skilled) workers, delivery times of the concrete sector have increased (not enough capacity). Work is therefore postponed. Timber traders and processors therefore expect the demand for timber to grow and increased their stocks to anticipate to this development. Timber might also benefit from the increased environmental awareness among consumers and architects. Although competition with other building materials is still heavy, timber seems to recover market share, E.g. in renovation, where now and then PVC plastic is replaced by timber. Increasingly new Life Cycle Analyses studies are published⁷.

The demand for civil engineering lags behind. This sector has suffered less during the crises, due to governmental investments. As a result, the market does not recover as it does in the construction sector. The sector drafted an Action Plan to encourage the use of timber in civil engineering.

⁷ <http://www.europeansttc.com/environment/>

Table 3*Key facts of the Dutch sawn hardwood market*x 1000 m³

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Domestic Production	66	59	69	53	59	66	56	58	60	58
of which tropical	12	10	11	7	5	11	7	6	6	7
Net Imports	310	321	268	276	231	201	224	230	279	413
of which tropical	239	229	196	194	172	148	156	136	131	218
Apparent Consumption	376	380	337	329	290	267	280	288	339	393
of which tropical	251	239	207	201	177	159	163	142	137	194

Sources: Probos, Statistics Netherlands (CBS)

f) Pulp and paper

The turnover within the Dutch paper and board industry increased by more than 5% between 2017 and 2018 to EUR 1,956 million. The total paper production was stable between 2017 and 2018 accounting for 90.9% of the total production capacity. The production capacity was stable in the Netherlands. Signs for the near future are positive. Besides general developments like increased demand for packaging materials, which make up 74% of the production of the Dutch paper and paper board industry, another reason is that the paper and board industry in the Netherlands is one of the leading sectors in recycling and energy reduction. This is due to the large collection of waste paper by consumers and the biobased production process. Export accounted for 80% of the total production. Germany remains the most important export country (31%), followed by Belgium (11%), France (10%) and the UK (9%).

Paper and board producing factories in the Netherlands almost solely produce paper and board from recovered paper and/or imported pulp. From the total of 22 factories in the Netherlands there is only one factory that is producing mechanical wood pulp for the production of board for folding boxes. The species used are Poplar and Norway spruce. Next to virgin fibres, this factory also consumes recovered paper.

In 2017 76.7% of the imported market pulp was certified sustainably (FSC or PEFC) sourced. A slight increase compared to 2015.

Table 4*Fibre furnish of the Dutch paper and board industry*X 1,000 m³ round wood equivalents under bark

Year	2011	2012	2013	2014	2015	2016	2017	2018
Cellulose	2,233	2,701	2,496	2,611	2,275	2,377	2,181	2,083
Recovered paper	7,017	6,955	7,170	7,179	7,254	7,426	8,561	8,541
Total fibre input	9,250	9,656	9,666	9,790	9,529	9,803	10,741	10,624

Source: Probos and Royal VNP

In 2018 the total number of employees in the paper and board industry slightly increased by 0,9% compared to 2017 and reached the number of 3,842 employees. As a result of improving labour productivity in the last decade and closure of mills, the number of employees in the industry in the Netherlands already decreased by almost 33% since 2005. This refers to personnel operating the paper and board producing machinery.

In 2004 the Dutch paper and board industry, together with the Ministry of Economic Affairs, launched the Energy Transition in the Paper Production Chain. The aim of this program is: "To halve the energy consumption per unit end product in the production chain by 2020". This challenge is translated by relating energy savings with reduction of CO₂-emissions, cost efficiency, international competition and re-use of raw materials. In 2009 a new energy agreement has been signed between the paper and board industry and the government. The aim of this agreement is to improve the energy efficiency in production and the value chain. In 2018 the industry uses 20% less energy per ton product produced compared to the situation ten years ago. In 2013 the Energy Transition goals were incorporated in the new innovation agenda

Creating Sustainable Fibre Solutions 2014-2020 (CSF). The Dutch industry agreed to achieve these goals by:

1. Raw materials of the future: Launch of three paper and cardboard products based on local bio based raw materials in order to close local cycles in a sustainable manner;
2. Towards a sustainable energy supply: Realization of sustainable energy supply for several paper and board mills, independent of natural gas;
3. High performance materials: Market introduction of a variety of paper and board products with entirely new features (active, intelligent and high performance materials (light weight, stronger, whiter, thermos isolating and electro conductive)).

Table 5
Recent developments of the Dutch paper and board industries

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Change in production in %:									
Thermo-mechanical pulp (integrated)	-19	-65	15	3,1	8	0%	2,3%	2,3%	0,0%
Graphic papers	-11	5	1	-0,4	0	4%	-2,6%	-3,3%	-5,7%
Case materials	16	-2	4	3,5	0	1%	4,3%	30,1%	2,8%
Other packaging paper and board	15	0	5	3,3	2	4%	0,9%	4,8%	0,3%
Sanitary & household	-2	3	2	0	-6	-3	-0,9%	0,0%	-1,8%
Total paper & board	10	-4	1	1,1	-1	-4	1,1%	11,7%	-0,1%
(Turnover [million Euro])	1,777	1,746	1,813	1,786	1,809	1,737	1,693	1,859	1,956
Price change of production of paper and board industries	n,a,	n,a,	n,a,	n,a,	n,a,	n,a,	n,a,	n,a,	n,a,

Source: Royal VNP

h) Wood pellets

The production of wood pellets increased to almost 300,000 m.t. (+22.6%) in 2018. 62% of this quantity is exported. Especially to Germany. The imports of wood pellets have increased (+33.6%) to 327,000 m.t. in 2018. But this is still much lower than the imports of 1.6 million m.t. in 2010. This reduction is mainly driven by a reduction in co-firing by the large utilities. In general, the decreased co-firing of wood pellets is caused by the end of most of the MEP grants in the period 2012-2014⁸ and a fire in one of the utilities that co-fired a large quantity of wood pellets.

As none of the utilities have been able to acquire SDE+ grants⁹ the of wood pellets dropped to (almost) zero in the period 2015-2017. New SDE+ grants have been granted to 3 companies who manage 4 co-fired utilities which are or will be converted to be able to co-fire wood pellets. Co-firing was started again during 2019. That said, imports might increase strongly soon as the utilities will start to build their stocks. There were however no signs of increased imports in the first 7 months of 2019 although the apparent consumption for the year 2018 was much higher that might indicate build-up of stocks. The co-firing of wood pellets is expected to gradually increase to reach its maximum capacity of 25 PJ in 2021.

For co-firing all grants within the SDE+ have been granted. However, there are still grants available to produce industrial steam by firing wood pellets and a new category is added for large scale district heating systems based on wood pellets. This will result in an extra demand for wood pellets in the Netherlands from 2020 onwards.

⁸ <http://www.bioenergytrade.org/downloads/iea-task-40-country-report-2014-the-netherlands.pdf>

⁹ With the SDE + subsidy scheme the Ministry of Economic Affairs encourages the development of a sustainable energy supply in the Netherlands. Businesses and (non-profit) institutions who (will) produce renewable energy, can utilize the SDE +.

5, Tables

A, Economic indicators for the Netherlands

Change in %, unless otherwise specified	2015	2016	2017	2018	2019	2020
GDP	2.0	2.2	2.9	2.6	1.8	1.5
Private consumption	2.0	1.1	2.1	2.3	1.5	1.9
Private gross fixed investment (excl, housing)	10.0	-15.9	2.2	3.1	7.5	2.1
Exports of goods and services	7.4	1.7	6.5	3.7	2.3	1.9
Imports of goods and services	14.5	-2.0	6.2	3.3	3.1	2.9
Consumer Price Index (inflation)	0.2	0.1	1.3	1.6	2.6	1.3
Labour share in enterprise income (in level %)	72.2	73.6	73.3	73.1	74.3	74.9
Active labour force	1.0	1.3	2.1	2.3	1.9	0.9
Unemployment level, % of labour force ¹	6.9	6.0	4.9	3.8	3.4	3.5
EMU-debt level (ultimo year, in % GDP)	64.6	61.9	56.9	52.4	49.3	47.6
EMU-balance level (in % GDP)	-2.0	0.0	1.3	1.5	1.2	0.3

Source: CPB (Netherlands Bureau for Economic Policy Analysis)

¹ According to the international definition

B, Forest products production and trade in 2017, 2018 and 2019

Product Code	Product	Unit	Estimate		Forecast
			2018	2019	2020
1,2,1,C	SAWLOGS AND VENEER LOGS, CONIFEROUS				
	Removals	1000 m ³	182	190	190
	Imports	1000 m ³	61	50	50
	Exports	1000 m ³	79	90	90
	Apparent consumption	1000 m ³	164	150	150
1,2,1,NC	SAWLOGS AND VENEER LOGS, NON-CONIFEROUS				
	Removals	1000 m ³	104	100	100
	Imports	1000 m ³	76	78	78
	Exports	1000 m ³	68	70	70
	Apparent consumption	1000 m ³	112	108	108
1,2,1,NC,T	of which, tropical logs				
	Imports	1000 m ³	8	8	8
	Exports	1000 m ³	1	1	1
	Net Trade	1000 m ³	7	7	7
1,2,2,C	PULPWOOD (ROUND AND SPLIT), CONIFEROUS				
	Removals	1000 m ³	270	300	270
	Imports	1000 m ³	43	40	40
	Exports	1000 m ³	192	255	225
	Apparent consumption	1000 m ³	121	85	85
1,2,2,NC	PULPWOOD (ROUND AND SPLIT), NON-CONIFEROUS				
	Removals	1000 m ³	188	190	190
	Imports	1000 m ³	17	20	20
	Exports	1000 m ³	135	125	125
	Apparent consumption	1000 m ³	70	85	85
3 + 4	WOOD RESIDUES, CHIPS AND PARTICLES				
	Domestic supply	1000 m ³	981	947	933
	Imports	1000 m ³	619	650	650
	Exports	1000 m ³	691	700	700
	Apparent consumption	1000 m ³	909	897	883
1,2,3,C	OTHER INDUSTRIAL ROUNDWOOD, CONIFEROUS				
	Removals	1000 m ³	16	16	16
1,2,3,NC	OTHER INDUSTRIAL ROUNDWOOD, NON-CONIFEROUS				
	Removals	1000 m ³	7	7	7
1,1,C	WOOD FUEL, CONIFEROUS				
	Removals	1000 m ³	434	440	440
1,1,NC	WOOD FUEL, NON-CONIFEROUS				
	Removals	1000 m ³	1.944	1.950	1.950

5,C	SAWNWOOD, CONIFEROUS		2018	2019	2020
	Production	1000 m ³	82	80	80
	Imports	1000 m ³	2.827	2.725	2.625
	Exports	1000 m ³	512	480	440
	Apparent consumption	1000 m ³	2.397	2.325	2.265
5,NC	SAWNWOOD, NON-CONIFEROUS				
	Production	1000 m ³	58	56	56
	Imports	1000 m ³	413	400	369
	Exports	1000 m ³	78	76	76
	Apparent consumption	1000 m ³	393	380	349
5,NC,T	of which, tropical sawnwood				
	Production	1000 m ³	7	6	6
	Imports	1000 m ³	218	220	200
	Exports	1000 m ³	31	36	36
	Apparent consumption	1000 m ³	194	190	170
6,1	VENEER SHEETS				
	Production	1000 m ³	0	0	0
	Imports	1000 m ³	38	38	38
	Exports	1000 m ³	10	10	10
	Apparent consumption	1000 m ³	28	28	28
6,1,NC,T	of which, tropical veneer sheets				
	Production	1000 m ³	0	0	0
	Imports	1000 m ³	10	10	10
	Exports	1000 m ³	1	1	1
	Apparent consumption	1000 m ³	9	9	9
6,2	PLYWOOD				
	Production	1000 m ³	0	0	0
	Imports	1000 m ³	640	645	645
	Exports	1000 m ³	102	95	95
	Apparent consumption	1000 m ³	538	550	550
6,2,NC,T	of which, tropical plywood				
	Production	1000 m ³	0	0	0
	Imports	1000 m ³	101	100	100
	Exports	1000 m ³	43	40	40
	Apparent consumption	1000 m ³	58	60	60
6,3	PARTICLE BOARD (including OSB)				
	Production	1000 m ³	0	0	0
	Imports	1000 m ³	689	675	675
	Exports	1000 m ³	128	90	90
	Apparent consumption	1000 m ³	561	585	585

6,3,1	of which, OSB		2018	2019	2020
	Production	1000 m ³	0	0	0
	Imports	1000 m ³	158	155	155
	Exports	1000 m ³	15	10	10
	Apparent consumption	1000 m ³	143	145	145
6,4	FIBREBOARD				
	Production	1000 m ³	29	29	29
	Imports	1000 m ³	606	575	575
	Exports	1000 m ³	158	139	139
	Apparent consumption	1000 m ³	477	465	465
6,4,1	Hardboard				
	Production	1000 m ³	0	0	0
	Imports	1000 m ³	73	75	75
	Exports	1000 m ³	8	8	8
	Apparent consumption	1000 m ³	65	67	67
6,4,2	MDF (Medium density)				
	Production	1000 m ³	0	0	0
	Imports	1000 m ³	463	430	430
	Exports	1000 m ³	143	125	125
	Apparent consumption	1000 m ³	320	305	305
6,4,3	Other fibreboard				
	Production	1000 m ³	29	29	29
	Imports	1000 m ³	70	70	70
	Exports	1000 m ³	7	6	6
	Apparent consumption	1000 m ³	92	93	93
7	WOOD PULP				
	Production	1000 m,t,	37	37	37
	Imports	1000 m,t,	1.676	1.418	1.400
	Exports	1000 m,t,	1.008	1.260	990
	Apparent consumption	1000 m,t,	705	195	447
10	PAPER & PAPERBOARD				
	Production	1000 m,t,	2.980	2.980	2.980
	Imports	1000 m,t,	2.563	2.600	2.600
	Exports	1000 m,t,	2.529	2.500	2.500
	Apparent consumption	1000 m,t,	3.014	3.080	3.080
4,1	WOOD PELLETS				
	Production	1000 m,t,	298	310	310
	Imports	1000 m,t,	327	550	950
	Exports	1000 m,t,	183	190	190
	Apparent consumption	1000 m,t,	442	670	1.070

