

**ESTONIA**  
**COUNTRY MARKET STATEMENT**

72-nd session of Committee on Forests and the Forest Industry, 18.-21. November 2014

**1. General economic trends affecting the forest and forest industries sector**

**Gross domestic product.** Positive trends continued to dominate the economy of Estonia during 2013 - the unemployment rate fell, price increases slowed down, employment continued to increase and the real growth of wage income picked up significantly. Economic growth was faster than the EU average, although it slowed down considerably in the second half of the year. The annual GDP growth in Estonia in 2013 was 0.8%. The growth inhibited mostly the transport and storage sector and added the value that was eventually affected by reduced transit flows. GDP growth was supported by domestic demand-oriented sectors to the economy, particularly in wholesale and retail trade and information and communication. Aside from domestic demand, the manufacturing industry contributed to the growth of the value added which grew along with the recovery of external demand.

Ministry of Finance of Estonia expects 2.0% growth of GDP for 2014 (3.5% in 2015).

**Domestic demand.** The growth of domestic demand decelerated in 2013 due to the stalling of the growth in investments (1%) although private consumption continued to grow at a rapid pace (4.2%). Real investment volumes produced a descent decline. Throughout the year, investment in the growth of residential real estate picked up, accompanied by a significant increase in prices. Regarding enterprises, growth in investment in machinery and equipment continued and due to the low base level the construction of buildings and facilities also rose rapidly. The continued rapid growth of private consumption in 2013 received support from accelerating wage increases, moderate employment growth and unemployment reduction.

**Balance of payments.** Despite the weakness of the export markets, the external balance in the year 2013 improved. The current account deficit narrowed to 1% of GDP due to lower deficits in revenue. Revenues earned by Estonian enterprises in foreign countries increased while the income earned by foreign investors in Estonia decreased.

**Foreign trade.** The year 2013 can be considered a year of stabilization of trade. The total of both exports and imports, in current prices, declined by 2% within a year. At the same time, export and import prices also declined and in real terms the trade volumes remained close to the previous year's level. The prices turned to decline due to decreasing demand in foreign markets, as well as a decrease in commodity prices. Therefore, the balance of trade deficit also remained at the same magnitude. In the year 2013, trade turnover was 25.9 billion euro, decreasing in a year by 2%. Export volume was 12.3 billion (47%) and import volume was 13.6, billion euro (53%).

As export and import volumes stayed on the previous year's level, the trade balance deficit in 2013 was kept stable within 1.4 billion euro. Increased negative balances in trade were transport equipment (-0.6 bn euro), mineral fuels (-0.4 bn euro) and chemical products (-0.4 bn euro). Goods that traded with a larger surplus were timber and wood products (0.7 billion euro) and furniture, pillows, blankets and wooden houses (0.6 billion euro). As for major trading partners, Estonia had a positive trade balance with Sweden (0.7 billion euro) and Russia (0.6 billion euro). Major deficiencies arose from the foreign trade with Germany and Poland, equally with 0.9 billion euro.

In the year 2014 the trade balance, deficit is projected to increase slightly because of faster growth in imports against exports that are expected to come. Promoted by the strengthening of domestic demand and the growth of the import of inputs and semi-finished products required for export.

**Labor market** Although unemployment increased slightly at the end of 2013, the annual average unemployment rate (8.6%) was still 1.4 percentage points lower than in 2012 (10.0%). The number of unemployed persons (59,000) decreased by 10,000 compared to the previous year. At the same time, the decline of unemployment has been gradually slowing down since 2011.

In 2013, the annual average employment rate was 62.1% (which is 1.3 percentage points higher than in 2012) and the estimated number of employed persons totalled 621,000 (employment rate is the share of the employed in the working-age population (aged 15–74)). The annual average number of employed persons increased by 6,000 compared to 2012. Given the rapid decline in the working age population, the number of people employed may turn back to a decline in the coming years. The yearly growth in employment was most of all influenced by an increase in the number of persons employed in accommodation and food services, professional, scientific and technical activities, wholesale and retail trade, and arts, entertainment and recreation.

In 2013, a boost in the number of employed (an increase of 1%) and the decrease of the unemployment rate slowed down consistent with the slowdown in economic growth. The rate of unemployment is expected to decrease to the level of 7.9% in 2014.

Average monthly gross wage increased by 6.6% in 2013 and reached the level of 900 EUR. The growth of real wage, i.e. wage growth minus inflation was 4.9% in 2013. Inflation slowed from 3.9% in the year 2012 to 2.8% in the year 2013.

**Consumer price index (CPI)** According to Statistics Estonia, the consumer price index increased 2.8% in 2013 compared to the average of 2012.

The annual change of the consumer price index was mainly influenced by the 28.7% price increase of electricity that arrived at homes, which accounted for two thirds of the total increase. The 4.9% price increase of food and the 3.5% price decrease of transport also had a bigger impact on the index. Motor fuel was 3.7% cheaper than in 2012.

It is expected the CPI to increase 1.4% in 2014 and then stabilizing on the level of 2.7–2.8% in the following years.

## **Manufacturing**

Around 6000 companies operate in the Estonian manufacturing industry, the majority of them are small and medium sized. There are over 200 companies with at least 100 employees that make up half of those employed in the industrial sector.

In Estonia the share of the industrial sector in the economy on the basis of added value is as high as in the EU average (about 15%). The share of people employed in manufacturing, however, is one of the highest (about one-fifth) among the EU countries. The processing industry as a whole is the largest employer in Estonia, almost one in five employed people are working in this field.

Share of sub-sectors in sales of manufacturing industry is following: equipment industry 24%, timber industry 14%, food industry 14%, metal industry 9%, chemical industry 9%, furniture industry 4%, building materials industry 4%, textile industry 4%, rubber and plastic industry 3% and other sub-sectors 15%.

The sector is heavily dependent on foreign markets where nearly 70% of production is sold. The main export markets are Finland and Sweden from which have come the vast majority (over 60%) of foreign investment made in the processing industry in Estonia.

Estonian enterprises produced 1.8% more output than in the year 2012. Revenue rose nearly 5%, exports grew somewhat faster. The producer prices in the processing industry rose by an average of 1.2%. The number of people employed in processing industry increased by almost 3%. The bigger creator of jobs was again the timber industry.

The average salary in Estonia's processing industry grew nearly at the same pace with the Estonian average. Compared to the year 2012, wages increased by 7-8%.

At constant prices, the added value generated in the processing industry grew by 5.2%, i.e., much faster than in the Estonian economy as a whole.

The companies of the processing industry invested in 2013 into tangible fixed assets almost by a tenth less than in the previous year. It was primarily related to the decline of the investments in the oil industry.

The companies of the processing industry participating in the Estonian Institute of Economic Research assessed the market situation much like in the year 2012. While demand remained below normal levels and inadequate demand was still a major problem in raising production, the production capacity utilization somewhat improved. At the beginning of the year 2014, the number of orders was

still lower than normal. The pressure on the growth rate of sales prices was low, no major changes in staffing levels were predicted.

Wood industry Wood is one of the most important natural resources in Estonia besides oil shale and makes a significant contribution to the balancing of foreign trade. The timber industry is one of the largest industries in Estonia. Nearly one thousand companies, employing more than 15,000 people are dealing with wood processing and manufacturing of wood products. Timely investments have ensured a high level of competitiveness of the sector in foreign markets, which in turn has produced a greater volume of production from year to year.

The timber industry is one of the sectors in which competitiveness has increased significantly in recent years. As a positive tendency may be mentioned the growth of the export of wooden houses, in which Estonia has already become the European Union's biggest exporter.

The timber industry is characterized in 2013 by positive developments. In total, the sales in the sector rose by 10.7% and the sales for export by 12%. At the same time, the output calculated at constant prices grew by 4.9%.

The commodity prices that had cheapened in the year 2012 began to rise again in the year 2013. The main price engines, according to the price statistics of the intermediate depot of the State Forest Management Centre, were pine and spruce log, both of which rose in price by 11%. In total, the timber industry producer prices increased by 3.1%.

In 2013, the wage growth in the timber industry somewhat slowed down, remaining below the Estonian average. In total the wages in the sector rose by 5.3% compared to a year earlier. However, the increase in the number of people employed by the sector accelerated and employment grew by 6%.

The important aspect of the Estonian timber industry has always been exports, which makes up more than two-thirds of the total volume of sales and will be approaching one billion euro. The main export partners in the year 2013 were Sweden, Norway and Finland, to which went almost half of the total exports. The Latvian direction showed a continued strong growth where production was sold for a total of EUR 40 million, which was 44% more than the year before.

Main export commodity groups were log houses 21% (main target market was Norway), building components (incl. windows, doors) 20% (mainly to Scandinavian countries, glue-laminated timber to Japan), sawn timber 14%, profiled timber 19%, plywood 3% and other products 23%.

The expectations of the entrepreneurs surveyed by the Estonian Institute of Economic Research in spring 2014 were significantly more positive compared to the previous year. More than half of the surveyed companies expected output growth and no company suggested a decrease.

Paper industry The paper industry has a long tradition in the Estonian economy and is a relatively consolidated industry. There are about 60 companies in Estonia manufacturing paper, pulp or paper products and employing about 1,400 people. The key output of the sector is export markets, in which are sold more than 80% of the production, the share of the domestic market has decreased year by year.

The sector's main players in Estonia are two companies: pulp producer AS Estonian Cell which made 65 million euro of turnover in the year 2013 and the paper and board manufacturer Horizon Pulp and Paper Ltd with the same magnitude of turnover. Together, they provide more than two-thirds of the sector's revenue.

Although in the year 2013, the total sales in the paper market declined nearly 3%, production capacity, measured in constant prices, decreased half as much.

In the paper industry 83% of the production goes for export. The largest export destination countries depend heavily on Estonian Cell's activities as the company's exports account for about 40% of the total exports of the branch. Italy rose to be the biggest export market instead of the Netherlands and the main reason was an increase in exports of wood pulp. Nearly a third of the paper industry's exports consisted mainly of uncoated Kraft paper and paperboard produced by Horizon Pulp and Paper Ltd the exports of which fell by 2% and the main target market was still Egypt. Nearly a tenth of exports were notebooks that went abroad by 8% less than the year before.

In 2013, the paper industry stood out as the industrial sector with the slowest wage growth. Although the average gross monthly salary of the sector was a few percentage points higher than the average of Estonia, the difference has decreased steadily in recent years. The number of employed in the paper industry remained almost unchanged last year and the total profits fell nearly 9%.

Investments in fixed assets increased by more than three times in the paper industry, mainly for machinery and equipment. Taking into account the fact that both large companies of the sector are also planning additional investments in the year 2014, it is likely that investment activity in the sector remains higher than average.

The companies of the paper industry surveyed in spring of the year 2014 by the Estonian Institute of Economic Research were much more positive about the future than they had been a year before. The level of operating capacity is at 83%, which was more than ten percentage points higher than the historical average. Moreover, half of the surveyed companies expected an increase in production volumes in the near term.

Furniture industry There are about 600 companies in Estonia manufacturing furniture and employing about 7500 people. The furniture industry is a sector with long traditions where the number of companies in the last three years has continued to grow. Mainly these are micro-enterprises, which are important employers in rural areas, but in the sector also operate three major companies with more than 250 employees.

The year 2013 was relatively stable for the furniture industry of Estonia. Both total sales and exports grew by about one percent compared to the previous year. The output at constant prices decreased by more than 2% with the year.

More than two-thirds of the production of furniture is for export but in 2013 this proportion fell as sales in the domestic market increased by about three times faster than exports. The main target countries are the Nordic countries where in the year 2013 went 78% of total sector exports.

Main export commodity groups were seats 41%, wooden bedroom furniture 16%, parts of furniture 13%, living and dining room furniture 9%, wooden kitchen furniture 4% and other furniture 17%.

Investment activity in the furniture industry rose according to the preliminary data in 2013 by nearly a quarter. The engine of the growth was the construction and reconstruction of buildings, into which five times more was invested compared to the previous year.

The survey of the Estonian Institute of Economic Research showed that in spring 2014, furniture manufacturing companies were significantly less confident than a year ago in the same period. Both exports and total orders were lower than normal and half of companies planned to reduce the number of employees. Similarly, the capacity utilization levels remained below the long term average.

Construction In Estonia operates more than 8,000 construction companies, of whom 90% are micro enterprises with less than 10 employees. Estonia's construction industry has largely been oriented to the internal market and therefore, its development is closely linked to overall economic development.

In the year 2013, the construction sector was still low compared to the pre-crisis years, but had continued to see signs of improvement in most indicators, particularly in construction volume indices of buildings and facilities and in wages and productivity. However, the improvement has been largely stimulated by different state support measures which in 2013 ended or shrank. Return of state's orders in the construction industry can be expected only in 2015, when the structural funds of the new periods open.

In 2013 the Estonian construction companies built, for a total of 3.26 billion euro, which was 8% higher than the previous year. Construction work was carried out in Estonia for 3.05 billion euro and in foreign countries for 0.22 billion euro. The volume of the construction works carried out in Estonia increased by 10% compared to the year 2012, while the volume of construction works done abroad decreased by 16.8%.

Investment activity in the construction market slowed down in 2013 compared to the year 2012. Only investments for purchase of machinery and equipment and for supplementing or updating

computer systems grew. In addition the largest increase took place in investments for the acquisition of land, which increased by 1.6 times compared to the previous year.

According to a workforce survey, in 2013 in the construction industry worked a total of 56,600 people, representing a slight decrease compared to the year 2012. The average wage in the construction sector exceeded the average wage level in Estonia. After the fall of 2009-2010, construction prices also continued to increase in 2013, growing in the year by 5.2%.

In 2013, the number of non-residential premises taken into use continued to grow. By application, agricultural and fishery business buildings and industrial buildings were of the greater proportion. Both in case of residential buildings and non-residential buildings, the number of issued building permits remained at the same level as the last year. By fields of activities, building permits were issued for non-residential buildings for establishment of agricultural, accommodation and industrial facilities.

The rating of the confidence and outlook of building market operators in the year 2013, particularly in the second half, was more negative than in the year 2012, but by the spring of the year 2014, the situation of a year before had been restored. As the main alarming factor on the estimates of the construction companies, the insufficient demand is rising clearly above all other categories.

## **2. Policy measures**

### Legal measures

Minor amendment to Forest act were adopted by Parliament at the end of 2013. Legal changes alleviated certain restriction in fellings (felling coupe widths and area limits), reduced bureaucracy in forest management for forest owners – simplification of pre-notification process in forest management operations and raised the forest land area limit per holding (from 2 to 5 hectares) when existence of valid forest inventory data is compulsory precondition to carry out forest operations.

### Forest law enforcement, governance and trade

The adoption of EU timber regulation did not necessitate amendment to national legislation - existing legislation provides sound framework for implementation of regulation.

Several measures have been taken to guarantee the sustainable forestry practice in Estonia: quick and easy access has been made available to forest inventory and management data for forest administration and public (see <http://register.metsad.ee/avalik/#>), continuous capacity building in forest administration institutions have taken place, cooperation between governmental institutions have been set up to fight illegal activities in forestry, counseling and training of forest owners is continuously proceeds. As a result of efforts the number of illegal fellings has decreased considerably: only 11 illegal fellings were registered in 2013 with felled volume 276 m<sup>3</sup> (in 2002 respective figures were 837 cases and 127 096 m<sup>3</sup>).

## **3. Developments in forest products markets sectors**

### **A. Wood raw materials**

There is 2.2 million ha of forest land in Estonia (49.4% of the total land area). 38% of it is managed by State Forest Management Centre, 34% by physical persons, 13% by juridical persons and 12% is unreformed land and out of active management (*National Forest Inventory 2012*).

According to the data of felling documents the interest in forest management increased considerably in 2010–2013 – total volume of planned fellings exceeded 11 million m<sup>3</sup> in 2013. Due to the fact that not all of the planned fellings are implemented, the estimated total felling volume could have been about 9 million m<sup>3</sup> in that period. The optimal level of fellings according to the Estonian Forestry Development Plan until year 2020 is annually 12–15 million m<sup>3</sup>.

The export of industrial roundwood increased 14.8% in 2013 compared to 2012 (2.39 mln m<sup>3</sup> in 2012 and 2.75 mln m<sup>3</sup> in 2013). 86% of exported roundwood was pulpwood. Import volume of roundwood has decreased 11.5% (0.28 mln m<sup>3</sup> in 2013). The main export partners in 2012 were Sweden, Finland, Germany and main importing partner was Latvia (86% of imported roundwood).

Companies' average delivery prices of coniferous logs were increasing throughout the year 2013. Prices of spruce logs increased 16.6%, spruce logs d<18 cm 11.7%, pine logs d<18 cm 9.3% and pine logs 7.8%. Demand for deciduous logs was recovering in 2013 and prices started to grow.

The prices of pulpwood started to decrease at the II half of 2011 and stayed at the low level through 2012. Prices of pine pulpwood increased 15.7% and spruce pulpwood 18.7% in 2013. Prices of birch pulpwood decreased 17.3%.

Average prices of fuelwood increased 2.1% within a year.

#### B. Wood energy

Firewood, wood chips (including waste) and wooden briquette/pellets are the 3 main wood-based energy products produced in Estonia. The main use of the wood for energy is heat generation but in the recent years the importance of wood for electricity generation has increased as well due to the new co-production power plants.

There were 798 wood using boilers in 2013 that is 20% of the total number of boilers. There were 347 wood using boilers in industry sector, 147 in energy sector, 63 in agriculture, 17 in transport and 224 in commercial and the public services sector. The capacity of wood using boilers was 832 MW i.e. 15.4% of total capacity of boilers; 1522 GWh heat was generated in 2013 (31% of total heat generation), using 11,375 TJ of wood fuel.

34,000 m<sup>3</sup> of firewood, 1.1 million m<sup>3</sup> of wood chips, 0.47 million m<sup>3</sup> of wood waste and 8,000 tons of wooden briquette/pellets were used for heat generation in 2013.

Gross inland consumption of firewood was 1.62 million m<sup>3</sup> in 2013, most of it in households. 2.0 million m<sup>3</sup> of wood chips and waste were used in 2013 by energy sector – 80% of it for the conversion to heat and 20% for electricity production.

From 2004 wood chips have been used as biomass fuel for heat and electricity co-production power plants (CHP); the usage of wood chips has increased from 4,400 m<sup>3</sup> in 2004 up to 1.053 million m<sup>3</sup> in 2013.

Gross inland consumption of briquette/pellets was 43,000 tons in 2013, 47% of that in final consumption in production of wood and wood products (20,000 t), 33% (14,000 t) in households and 19% (8,000 t) by energy sector for heat generation. Total production of briquette and pellets was 629,000 tons in 2013 (99% of that was exported).

Prices of wood based fuels decreased for end-users in 2013 – wood waste 39.7%, wood chips 21.6% and firewood 6.9%. Heavy fuel oil was 13.2% cheaper than in 2012, shale oil 5.3% and motor gasoline 2.3%.

The highest increase was in the price of peat-briquette (23.3%). Also increased prices of oil shale (16.2%), electricity (12.7%), heat (5.5%), light fuel oil (4.6%) and coal (3.6%).

The prices of natural gas and diesel stayed almost at the same level of 2012 (price increase 0.2%).

#### C. Certified forest products

There are 2 forest management/chain of custody (COC) certificate systems used in Estonia – FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification).

Estonian FSC working group approved Estonian national FSC standard in 25.04.2008. Testing at the field and public consultation process ended at the end of 2010. There were 2 meetings in 2011 to discuss principles of the standard. Estonian national FSC standard hasn't been submitted to the international FSC for approval yet. There have been issued 3 FSC forest management certificates and 244 FSC chain of custody (COC) certificates in Estonia (10.10.2014). Most of the FSC certified forests are managed by Estonian State Forest Management Centre (managing 38% of Estonian forests). Estonian State Forest Management Centre has the FSC certificate since 01.02.2002. One of the forest management certificates (Stora Enso Eesti AS) comprises over a fifty small scale private forest owners and the requirements of the standard are shared between forest owners and logging company.

Since 2007 PEFC certification is available in Estonia. Estonian national PEFC scheme was approved in 4.03.2008. There are 32 valid PEFC chain of custody certificates in Estonia (10.10.2014) and 2 forest management certificates – Estonian State Forest Management Centre since 29.11.2010 (with the area of forest holding 848,800 ha) and one group certificate.

#### D. Value-added wood products

The manufacturing and trade of value-added products have increased considerably in Estonia. Decreasing raw material supply, increasing labour costs and competition in the market of primarily processed products have forced producers to invest in value-adding.

The production of wooden furniture had a slight decrease (3%) to 245 million EUR in 2013 (251 million EUR in 2012). Export value of wooden furniture stayed third year in same 227 million EUR level i.e. 16.2% from total export value of wood and wooden products (excluding pulp and paper) in 2013; relevant figures for import were 51 million EUR and 13.3%.

Sales volume of the joinery and carpentry products was 300 million EUR. (280 million EUR in 2012). The share of joinery and carpentry products was 14.9% from the total value of wood products' exports in 2013 (5.0% in 2000) and similar share for imports was 5.3% (7.3%).

Production of further processed sawnwood decreased 10% in 2013 compared to year 2012. Sales volume of further processed sawnwood was 90 million EUR (100 million EUR in 2012). The share of further processed sawnwood was 5.5% from the total value of total wood products' exports and similar share for imports was 1.2%.

After a few years larger rise, sales volume of the prefabricated wooden buildings (log houses included) stayed same level – 216 million EUR in 2013 and 211 million EUR in 2012. In 2013 the share of prefabricated wooden buildings was 14.4% from the total value of wood products' exports (5.2% in 2000) and similar share for imports was 0.8%.

#### E/F. Sawnwood

Sawnwood production increased until the year 2005 (over 2 million m<sup>3</sup>) and then started to decrease due to the rising competition and deficit of raw material; in 2008–2009 also due to decreasing sales' opportunities (lowest point in 2009 1.13 million m<sup>3</sup>). In 2010–2012 sawnwood production stayed relatively same 1.5 million m<sup>3</sup> level. In 2013 production of sawnwood rose 15% to 1.71. The majority of sawnwood was coniferous, small volume of quality non-coniferous (8.2% from total sawnwood production) logs covers the niche products' manufacturing needs and do not provide source for sustained growth.

Earlier steady growth of sawnwood imports turned to sudden 35% decrease in 2008. Sawnwood imports decreased to 0.5 million m<sup>3</sup> level in 2009, but in 2010 turned to slight growth again. (0.64 million m<sup>3</sup> in 2010 and 0.72 million m<sup>3</sup> in 2011, 0.80 million m<sup>3</sup> in 2012 and 0.86 million m<sup>3</sup> in 2013). The increase of sawnwood import indicates recovered demand from domestic and foreign further-processing companies. After being three years in same 0.75 million m<sup>3</sup> level sawnwood export had slight 6.6% increase in 2013 (0.80 million m<sup>3</sup>). The share of sawnwood exports' value from the total value of wood products' exports decreased to 14.1%, for example in 2000, it was 25.8%. Similar figures for import of sawnwood are 45.4% and 17.5%

#### G. Wood-based panels

In 2013 the production and export of plywood stayed the same 46 000 m<sup>3</sup> and 55 000 m<sup>3</sup> level as previous year. Import of plywood increased 27.5% from 73 600 m<sup>3</sup> in 2012 to 93 900 m<sup>3</sup> in 2013). In 2013 export are expected to fall and import and production are expected to stay in same level. Share of value of plywood exports from total value of wood products export was 2.6%, share of imports 9.7% in 2013.

In 2012 the production of particle boards decreased considerably due to closing of AS Pärnu plaaditehas (from 206 900 m<sup>3</sup> to 157 100 m<sup>3</sup>). In 2013 the production of particle boards recovered to 178 300 m<sup>3</sup>. Considering the remaining demand, in 2012 import of particle boards increased 60% and export decreased 7%. In 2013 import and export both rose (3.4% and 11.9%). Share of value of particle board exports from total value of wood products export was 2.5%, share of imports was 4.4% in 2013.

There was no production of hardboard in 2013. Imports increased by 13.9% and exports increased by 13.4%. In 2014 imports are expected to have a slight increase.

The production of insulating boards decreased 3,6% in 2013, imports decreased by 32,7% and exports increased by 5,6%. Production and export will increase in 2014.

Share of value of total fibreboard exports from total value of wood products export was 1.0%, share of imports 3.7% in 2013.

#### H. Pulp and paper

Production of pulp declined slightly (3.4%) in 2013. The majority of the production is produced by thermo-mechanical aspen pulpmill (alkaline peroxide mechanical pulp (APMP)) technology in Kunda. Kunda factory produced 151 000 tons of wood pulp in 2013. Production of unbleached coniferous chemical wood pulp was 72 800 tons in 2013. In 2009-2012 export grew to 147 000 t level, in 2013 export of pulp had a slight 5.7%

decrease but in 2014 are expected to rise again.. In 2011 only minor import of pulp (about 1600 tons) took place, it rose to 12 000 tons in 2012 and in 2013 almost 22 000 tons of pulp were imported.

Paper production includes mostly the unbleached kraft sack paper production. After decline in 2009 the production volumes are almost back in 80 tons level. Import rose 7.5% and export decreased by 15.9% in 2013.

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**Spring 2013 forecast of the Estonian Ministry of Finance**

%	2013	2014*	2015*	2016*	2017*	2018*
1. Growth of real GDP	0.8	2.0	3.5	3.6	3.4	3.2
2. Growth of nominal GDP	5.9	4.9	6.9	6.8	6.4	6.1
2a. GDP in nominal terms (bln €)	18.2	19.3	20.7	22.1	23.5	24.9
5. Consumer price index	2.8	1.4	2.7	2.8	2.8	2.8
7. Employment (15–74-year-old, thousands)	621	623	625	624	622	619
8. Growth of employment	1.0	0.2	0.3	-0.1	-0.3	-0.5
10. Unemployment rate	8.6	7.9	6.9	6.4	6.0	6.0
11. Average monthly wage (€)	984	1007	1071	1139	1213	1239
12. Real growth of average monthly wage	4.9	4.8	3.5	3.5	3.6	3.7
12a. Nominal growth of average monthly wage	7.8	6.2	6.3	6.4	6.5	6.6
15. Current account (% of GDP)	-1.0	-1.6	-1,7	-1.9	-2.1	-2.2



Forest products production and trade in Estonia in 2013 and forecast for 2014– 2015.

Product Code	Product	Unit	Revised	Estimate	Forecast
			2013	2014	2015
<b>1.2.1.C</b>	<b>SAWLOGS AND VENEER LOGS, CONIFEROUS</b>				
	Removals	1000 m <sup>3</sup>	3 000	3 100	3 100
	Imports	1000 m <sup>3</sup>	166	150	150
	Exports	1000 m <sup>3</sup>	357	340	300
	Apparent consumption	1000 m <sup>3</sup>	2 809	2 910	2 950
<b>1.2.1.NC</b>	<b>SAWLOGS AND VENEER LOGS, NON-CONIFEROUS</b>				
	Removals	1000 m <sup>3</sup>	765	800	800
	Imports	1000 m <sup>3</sup>	24	35	40
	Exports	1000 m <sup>3</sup>	28	80	80
	Apparent consumption	1000 m <sup>3</sup>	760	755	760
<b>1.2.1.NC.T</b>	<b>of which, tropical logs</b>				
	Imports	1000 m <sup>3</sup>	0	0	0
	Exports	1000 m <sup>3</sup>	0	0	0
	Net Trade	1000 m <sup>3</sup>	0	0	0
<b>1.2.2.C</b>	<b>PULPWOOD (ROUND AND SPLIT), CONIFEROUS</b>				
	Removals	1000 m <sup>3</sup>	1 300	1 200	1 200
	Imports	1000 m <sup>3</sup>	29	15	20
	Exports	1000 m <sup>3</sup>	1 184	1 050	1 050
	Apparent consumption	1000 m <sup>3</sup>	145	165	170
<b>1.2.2.NC</b>	<b>PULPWOOD (ROUND AND SPLIT), NON-CONIFEROUS</b>				
	Removals	1000 m <sup>3</sup>	1 420	1 400	1 400
	Imports	1000 m <sup>3</sup>	61	15	20
	Exports	1000 m <sup>3</sup>	1 177	1 100	1 100
	Apparent consumption	1000 m <sup>3</sup>	304	315	320
<b>3</b>	<b>WOOD CHIPS, PARTICLES AND RESIDUES</b>				
	Domestic supply	1000 m <sup>3</sup>	4 450	4 500	4 500
	Imports	1000 m <sup>3</sup>	158	150	150
	Exports	1000 m <sup>3</sup>	553	570	550
	Apparent consumption	1000 m <sup>3</sup>	4 055	4 080	4 100
<b>1.2.3.C</b>	<b>OTHER INDUSTRIAL ROUNDWOOD, CONIFEROUS</b>				
	Removals	1000 m <sup>3</sup>	25	25	25
<b>1.2.3.NC</b>	<b>OTHER INDUSTRIAL ROUNDWOOD, NON-CONIFEROUS</b>				
	Removals	1000 m <sup>3</sup>	25	25	25
<b>1.1.C</b>	<b>WOOD FUEL, CONIFEROUS</b>				
	Removals	1000 m <sup>3</sup>	730	730	730
<b>1.1.NC</b>	<b>WOOD FUEL, NON-CONIFEROUS</b>				
	Removals	1000 m <sup>3</sup>	1 220	1 230	1 230

Code	Product	Unit	2013	2014	2015
5.C	<b>SAWNWOOD, CONIFEROUS</b>				
	Production	1000 m <sup>3</sup>	1 570	1 600	1 600
	Imports	1000 m <sup>3</sup>	804	920	920
	Exports	1000 m <sup>3</sup>	714	740	740
	Apparent consumption	1000 m <sup>3</sup>	1 659	1 780	1 780
5.NC	<b>SAWNWOOD, NON-CONIFEROUS</b>				
	Production	1000 m <sup>3</sup>	140	140	140
	Imports	1000 m <sup>3</sup>	60	72	75
	Exports	1000 m <sup>3</sup>	90	90	90
	Apparent consumption	1000 m <sup>3</sup>	110	122	125
5.NC.T	<b>of which, tropical sawnwood</b>				
	Production	1000 m <sup>3</sup>	0	0	0
	Imports	1000 m <sup>3</sup>	1	1	1
	Exports	1000 m <sup>3</sup>	1	1	1
	Apparent consumption	1000 m <sup>3</sup>	0	0	0
6.1	<b>VENEER SHEETS</b>				
	Production	1000 m <sup>3</sup>	95	95	95
	Imports	1000 m <sup>3</sup>	3	4	4
	Exports	1000 m <sup>3</sup>	75	80	80
	Apparent consumption	1000 m <sup>3</sup>	23	19	19
6.1.NC.T	<b>of which, tropical veneer sheets</b>				
	Production	1000 m <sup>3</sup>	0	0	0
	Imports	1000 m <sup>3</sup>	0	0	0
	Exports	1000 m <sup>3</sup>	0	0	0
	Apparent consumption	1000 m <sup>3</sup>	0	0	0
6.2	<b>PLYWOOD</b>				
	Production	1000 m <sup>3</sup>	45	45	45
	Imports	1000 m <sup>3</sup>	94	90	90
	Exports	1000 m <sup>3</sup>	55	45	45
	Apparent consumption	1000 m <sup>3</sup>	84	90	90
6.2.NC.T	<b>of which, tropical plywood</b>				
	Production	1000 m <sup>3</sup>	0	0	0
	Imports	1000 m <sup>3</sup>	1	4	4
	Exports	1000 m <sup>3</sup>	0	0	0
	Apparent consumption	1000 m <sup>3</sup>	1	4	4
6.3	<b>PARTICLE BOARD (including OSB)</b>				
	Production	1000 m <sup>3</sup>	178	175	175
	Imports	1000 m <sup>3</sup>	68	80	75
	Exports	1000 m <sup>3</sup>	154	145	150
	Apparent consumption	1000 m <sup>3</sup>	92	110	100
6.3.1	<b>of which, OSB</b>				
	Production	1000 m <sup>3</sup>	0	0	0
	Imports	1000 m <sup>3</sup>	27	30	30
	Exports	1000 m <sup>3</sup>	0	0	0
	Apparent consumption	1000 m <sup>3</sup>	27	30	30
6.4	<b>FIBREBOARD</b>				
	Production	1000 m <sup>3</sup>	75	90	90
	Imports	1000 m <sup>3</sup>	37	45	46
	Exports	1000 m <sup>3</sup>	76	92	92
	Apparent consumption	1000 m <sup>3</sup>	37	44	44
6.4.1	<b>Hardboard</b>				
	Production	1000 m <sup>3</sup>	0	0	0
	Imports	1000 m <sup>3</sup>	17	22	22
	Exports	1000 m <sup>3</sup>	3	3	3
	Apparent consumption	1000 m <sup>3</sup>	14	19	19
6.4.2	<b>MDF (Medium density)</b>				
	Production	1000 m <sup>3</sup>	0	0	0
	Imports	1000 m <sup>3</sup>	18	22	22
	Exports	1000 m <sup>3</sup>	6	9	9
	Apparent consumption	1000 m <sup>3</sup>	13	13	13
6.4.3	<b>Other fibreboard</b>				
	Production	1000 m <sup>3</sup>	75	90	90
	Imports	1000 m <sup>3</sup>	2	1	2
	Exports	1000 m <sup>3</sup>	67	80	80
	Apparent consumption	1000 m <sup>3</sup>	10	11	12
7	<b>WOOD PULP</b>				
	Production	1000 m.t.	224	240	240
	Imports	1000 m.t.	22	30	30
	Exports	1000 m.t.	138	160	160
	Apparent consumption	1000 m.t.	107	110	110
10	<b>PAPER &amp; PAPERBOARD</b>				
	Production	1000 m.t.	77	80	80
	Imports	1000 m.t.	152	154	160
	Exports	1000 m.t.	102	100	110
	Apparent consumption	1000 m.t.	127	134	130