# Forest products markets in Europe in 2013 and Timber Committee forecast

UNECE/FAO Committee on Forests and the Forest Industry

November 18, 2014, Kazan, Russian Federation

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November 18, 2014

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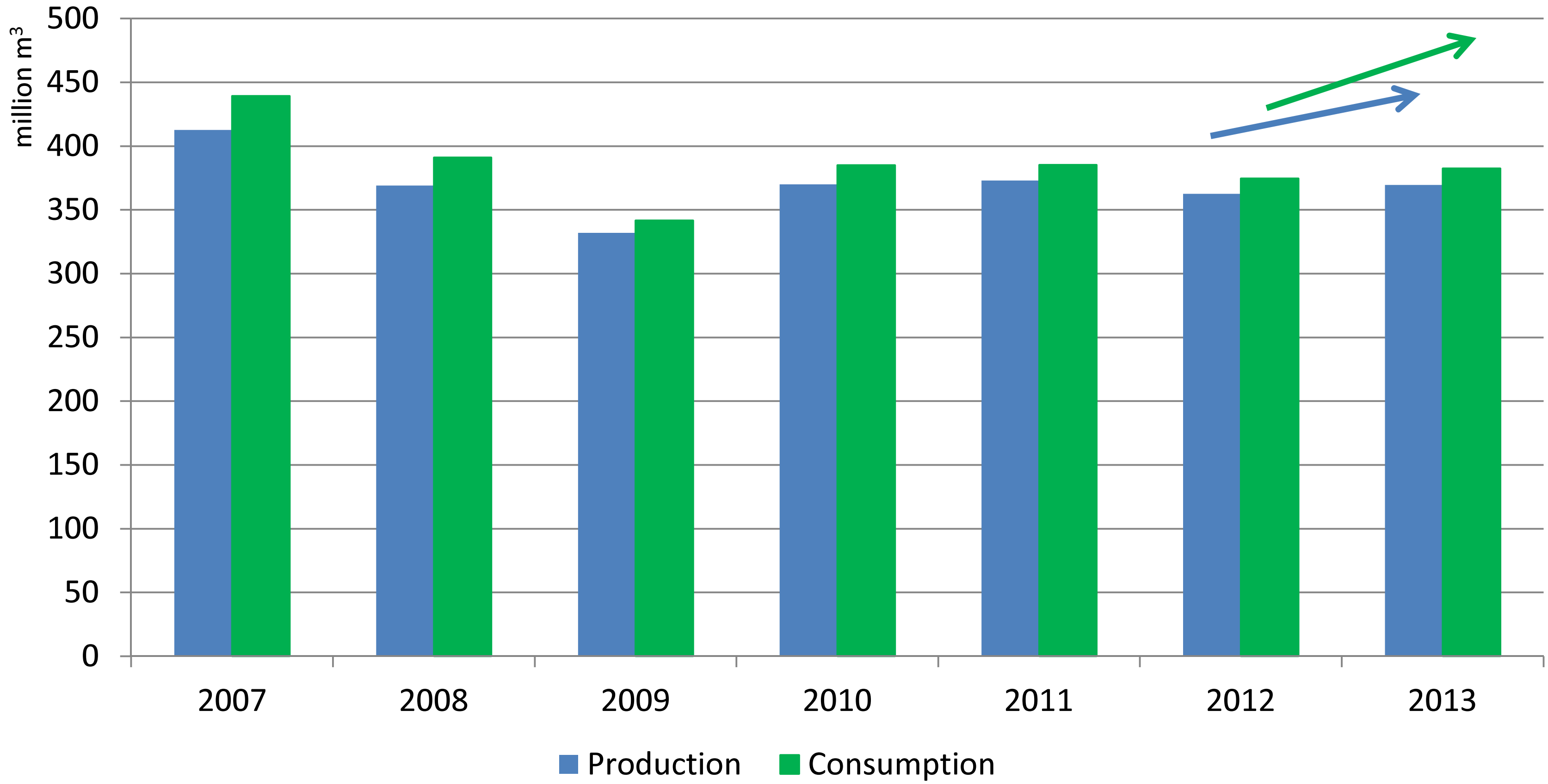
# Agenda

- Past development and 2013
  - Industrial roundwood
  - Sawn softwood
  - Sawn hardwood
  - Plywood
  - Reconstituted panels
  - Mechanical pulp
  - Chemical pulp
  - Paper and paperboard
- 2014-2015 forecast
- Conclusion

## Industrial roundwood

# Industrial roundwood – Production and consumption 2007-2013

*Harvesting increased by almost 7 Mm$^3$ in 2013 but was still over 40 Mm$^3$ lower than in 2007. Consumption increased by almost 8 Mm$^3$ resulting in net imports of ca. 13 Mm$^3$ that is approximately half of the volume in 2007.*



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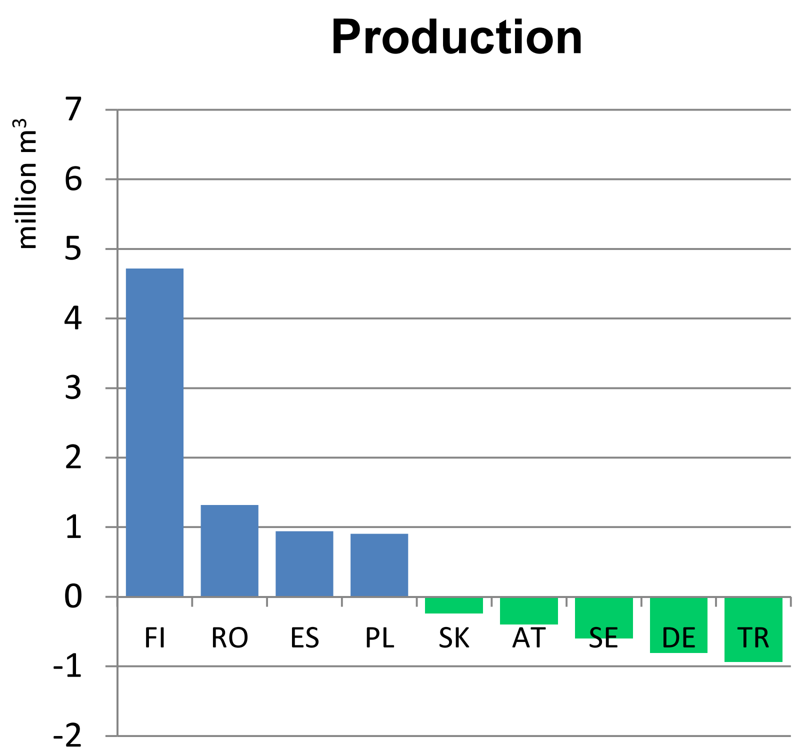
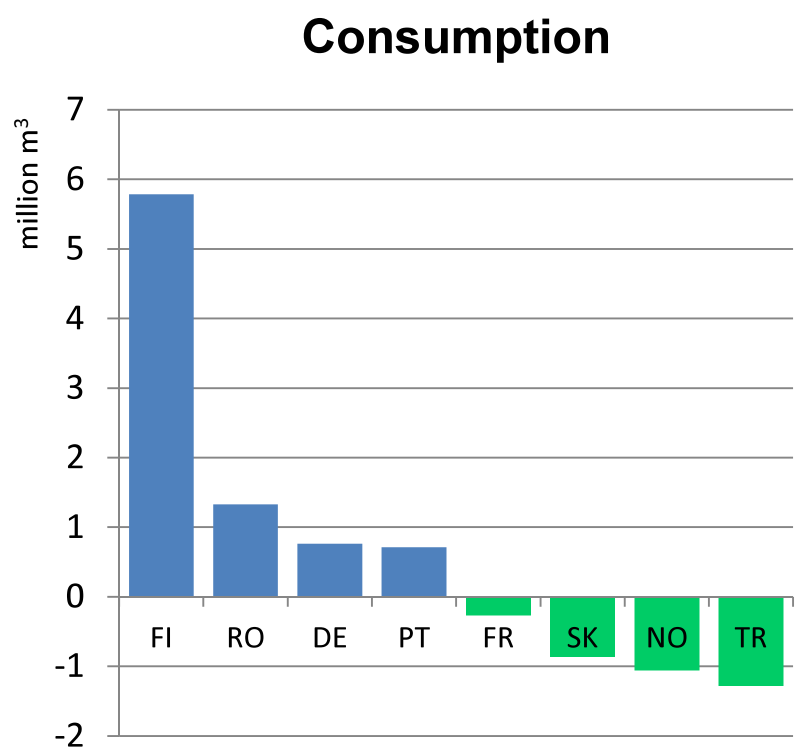
## Industrial roundwood – 2013 vs. 2012

*Finland showed the largest increases both in production and consumption driven by higher output of domestic sawmill and pulp industries. Finland imported ca. 4 Mm$^3$ of birch pulpwood (triple vs. 2008). Growing domestic sawnwood output explained increase in Romania whereas Spain (pulpwood) and Poland (logs) exported much of the increment.*



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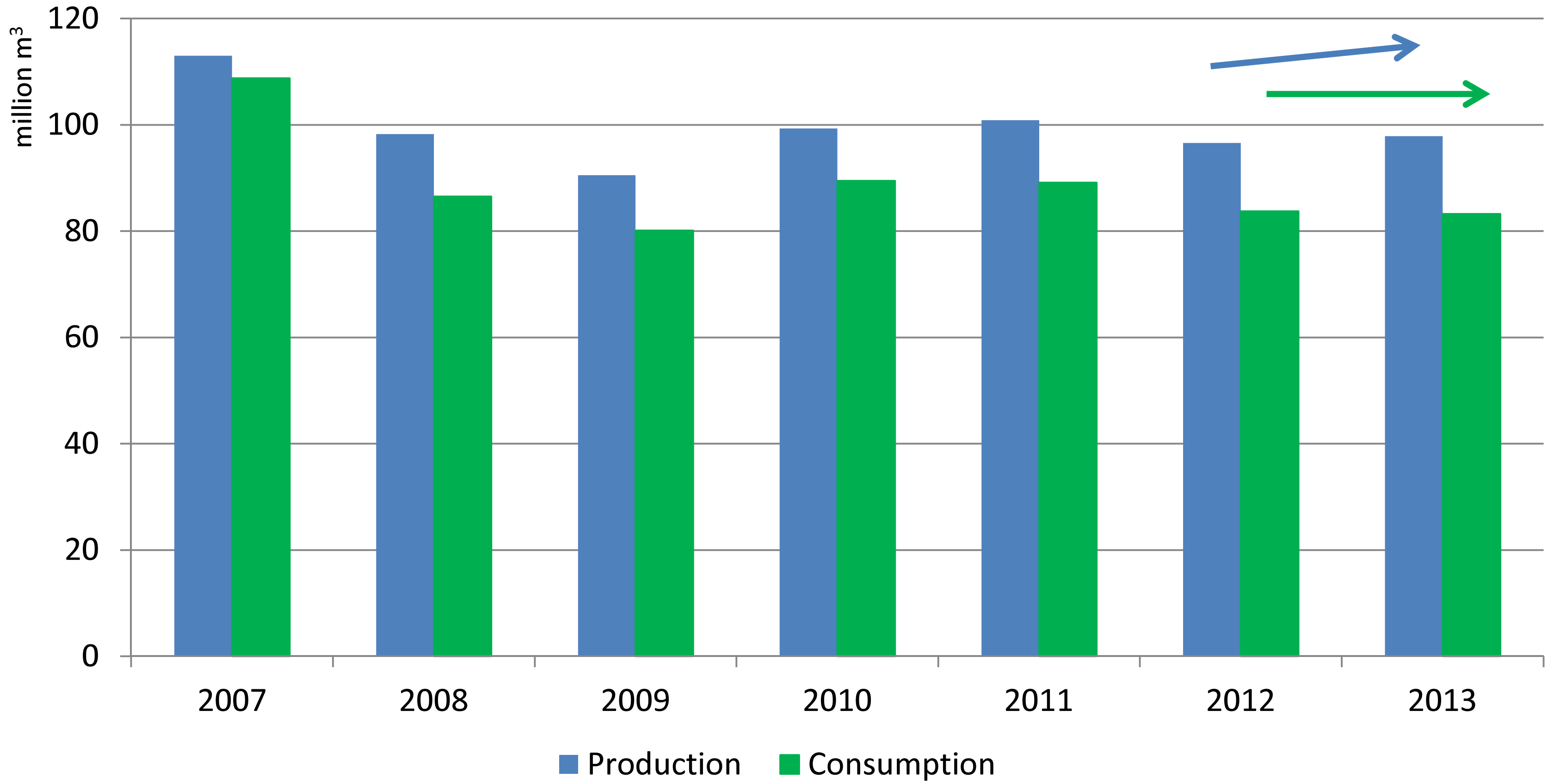
# Sawn softwood

## Sawn softwood – Production and consumption 2007-2013

*Production grew only moderately but as consumption decreased Europe was dependent on overseas exports. Japan (+27%) regained #1 export destination as volumes to Egypt dropped (-12%). Exports to China tripled (ca. 1.3 Mm$^3$). Net export was over 10 Mm$^3$ more than in 2007.*



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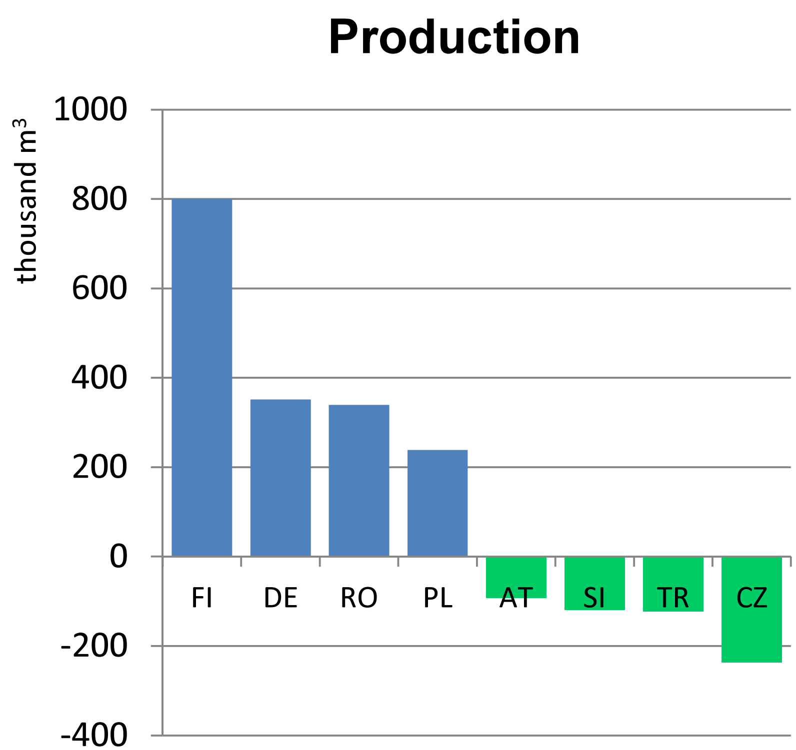
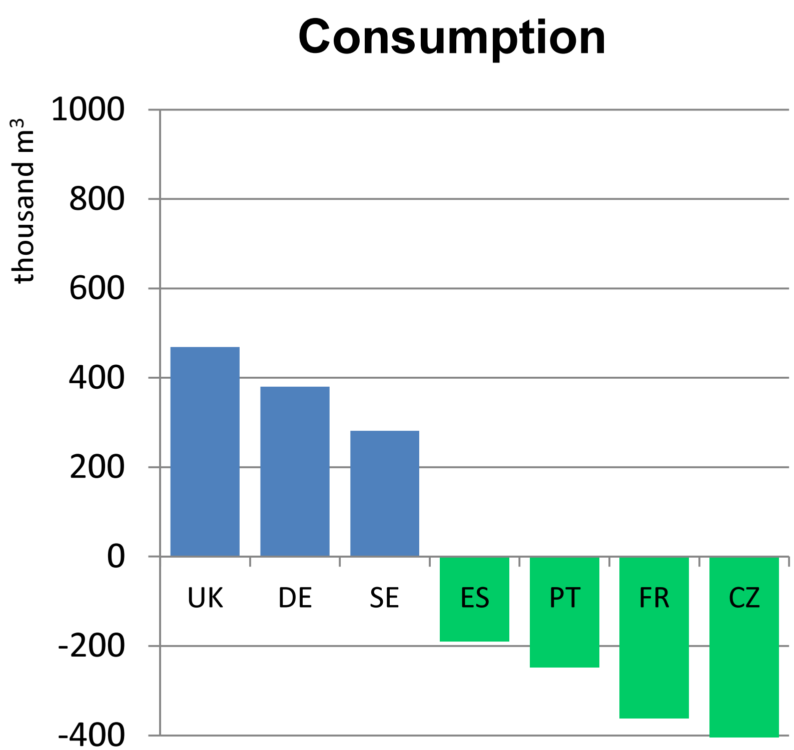
# Sawn softwood – 2013 vs. 2012

*Finland increased its output by relying on exports, especially outside Europe. Austria and Czech Republic suffer from high log and logistic costs. The UK and Germany have led the consumption growth while countries in southern Europe still suffer from weak construction activity.*



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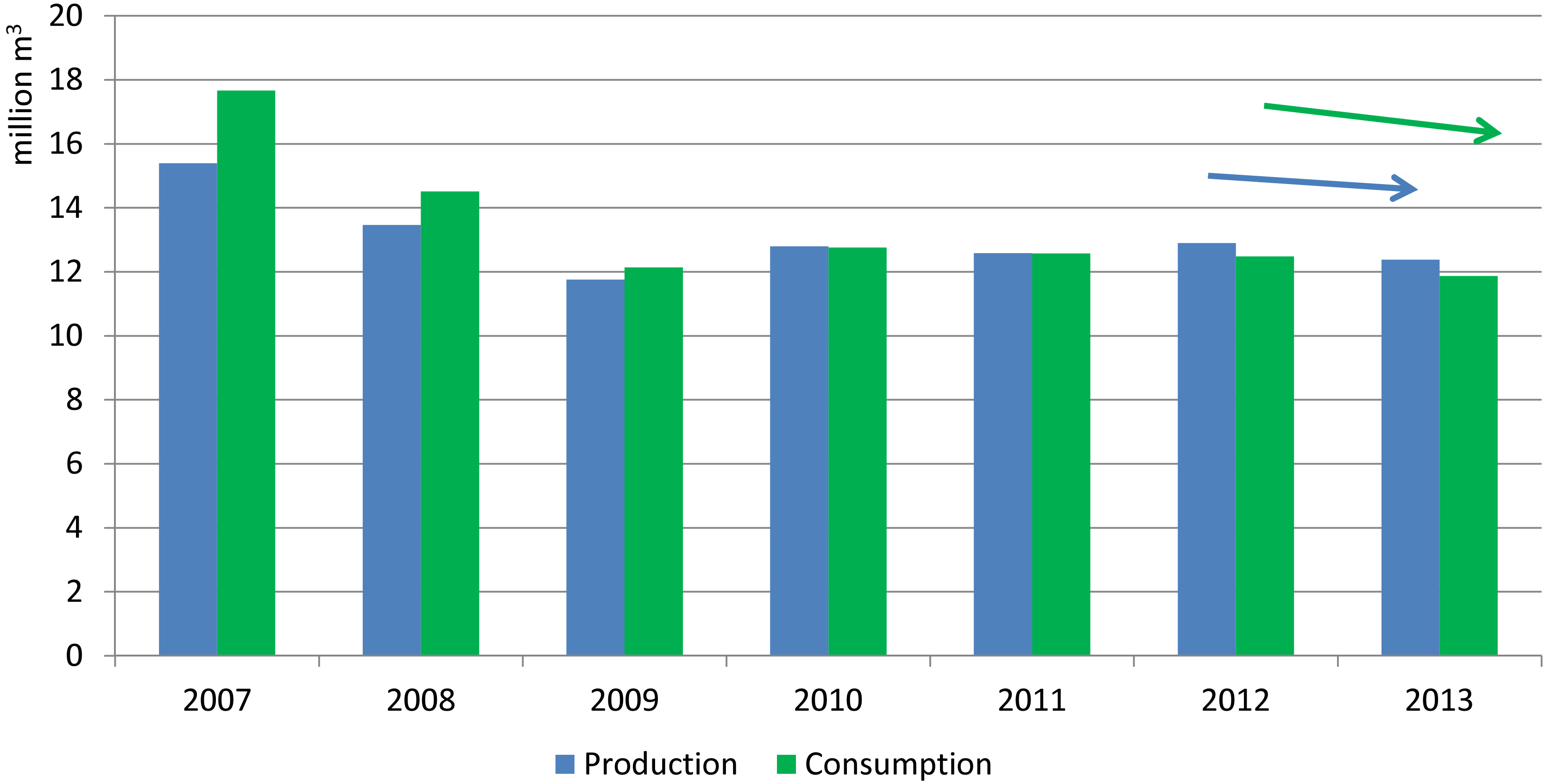
# Sawn hardwood

# Sawn hardwood – Production and consumption 2007-2013

*Both production and consumption declined in 2013 following the static joinery and furniture industries in Europe. Current consumption is almost 6 Mm³ lower than in 2007. In the same time period, Europe has changed from net importer (ca. 2.3 Mm³) to net exporter (0.5 Mm³).*



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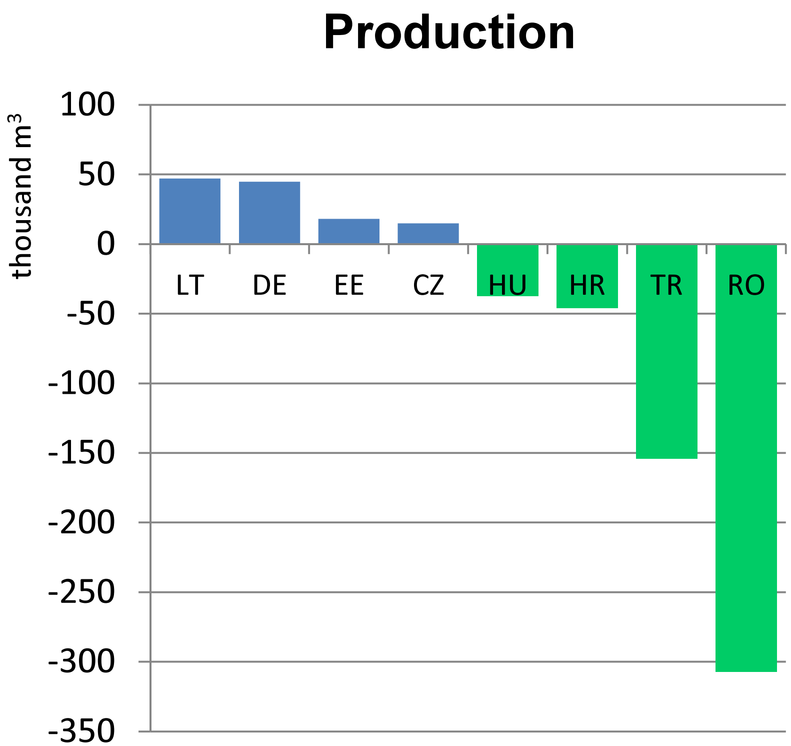
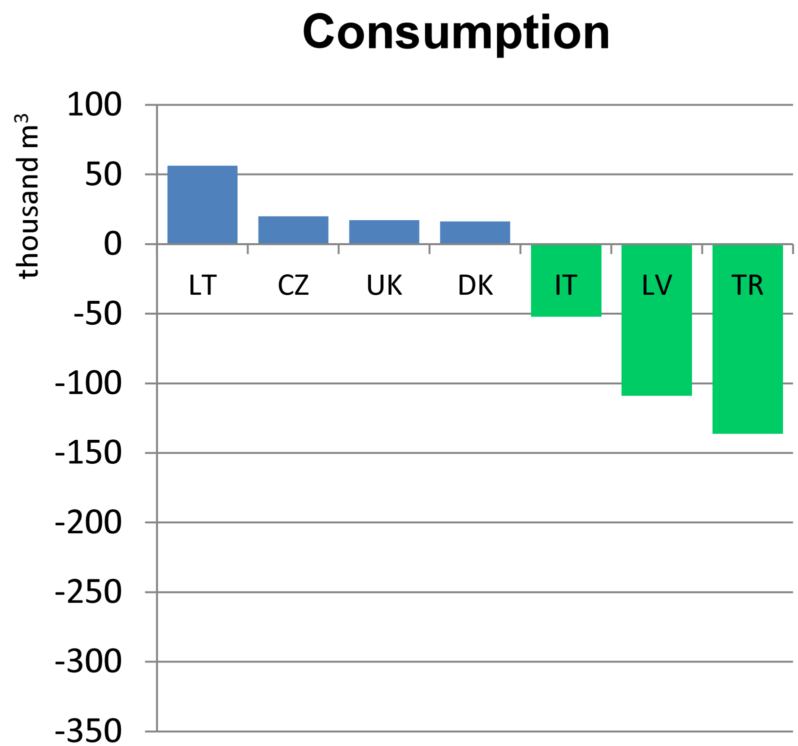
# Sawn hardwood – 2013 vs. 2012

*Romania and Turkey suffered from log shortage. However, Romania remained as largest exporter but faced different development (-16% in Egypt vs. +40% in China) in its main markets. Consumption decreased the most in Turkey.*



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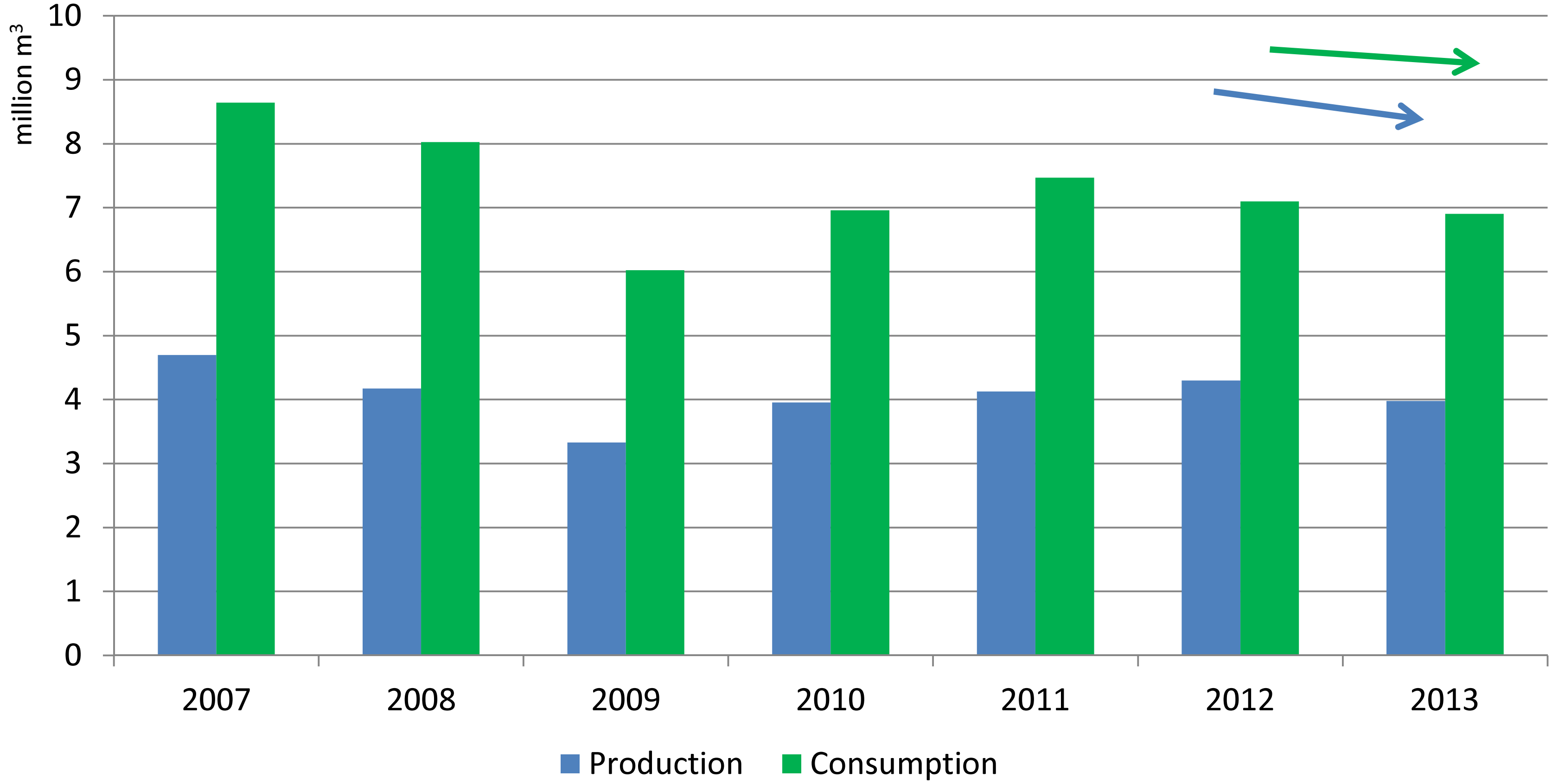
# Plywood

# Plywood – Production and consumption 2007-2013

*Decline in regional production outpaced the decline in consumption. Since 2007, production has dropped by ca. 700 000 m$^3$ while consumption ca. 1.7 Mm$^3$. The UK and Germany account for ca. 1/3 of the market.*



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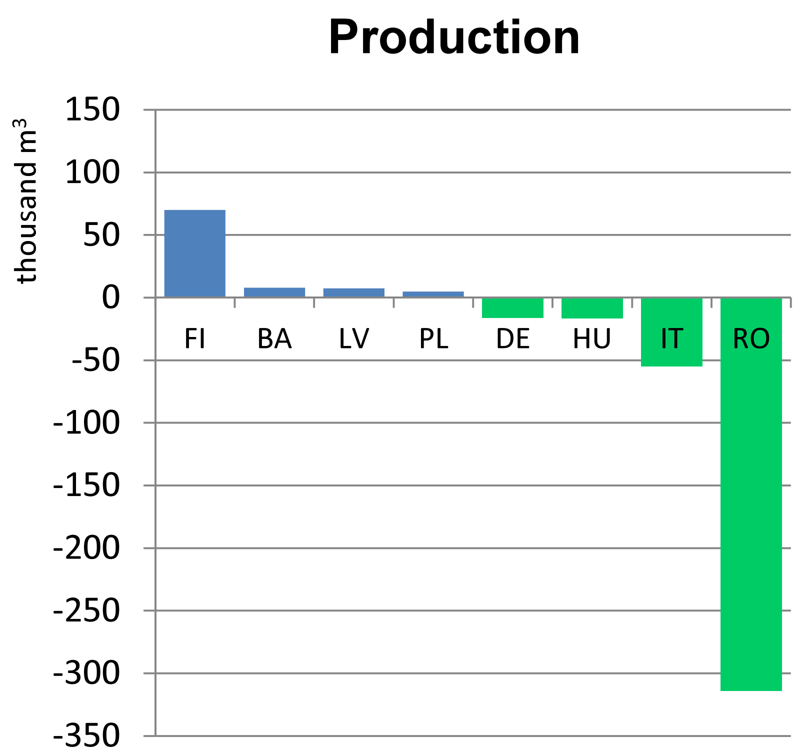
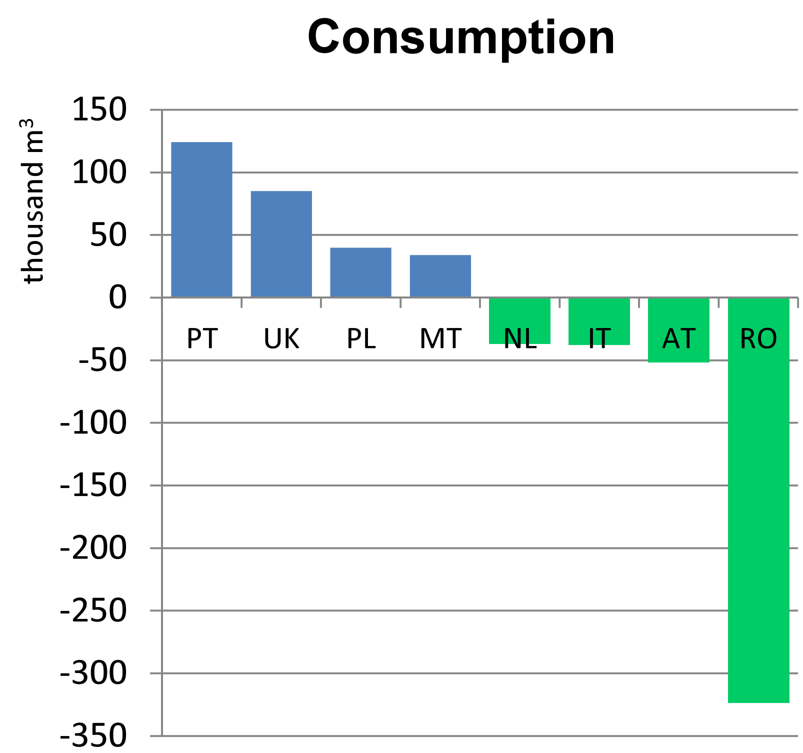
# Plywood – 2013 vs. 2012

*Changes in 2013 production were mainly marginal except significant drop in Romania and modest growth in Finland. Romania showed also by far the largest drop in consumption while Portugal and the UK showed positive trend in demand.*



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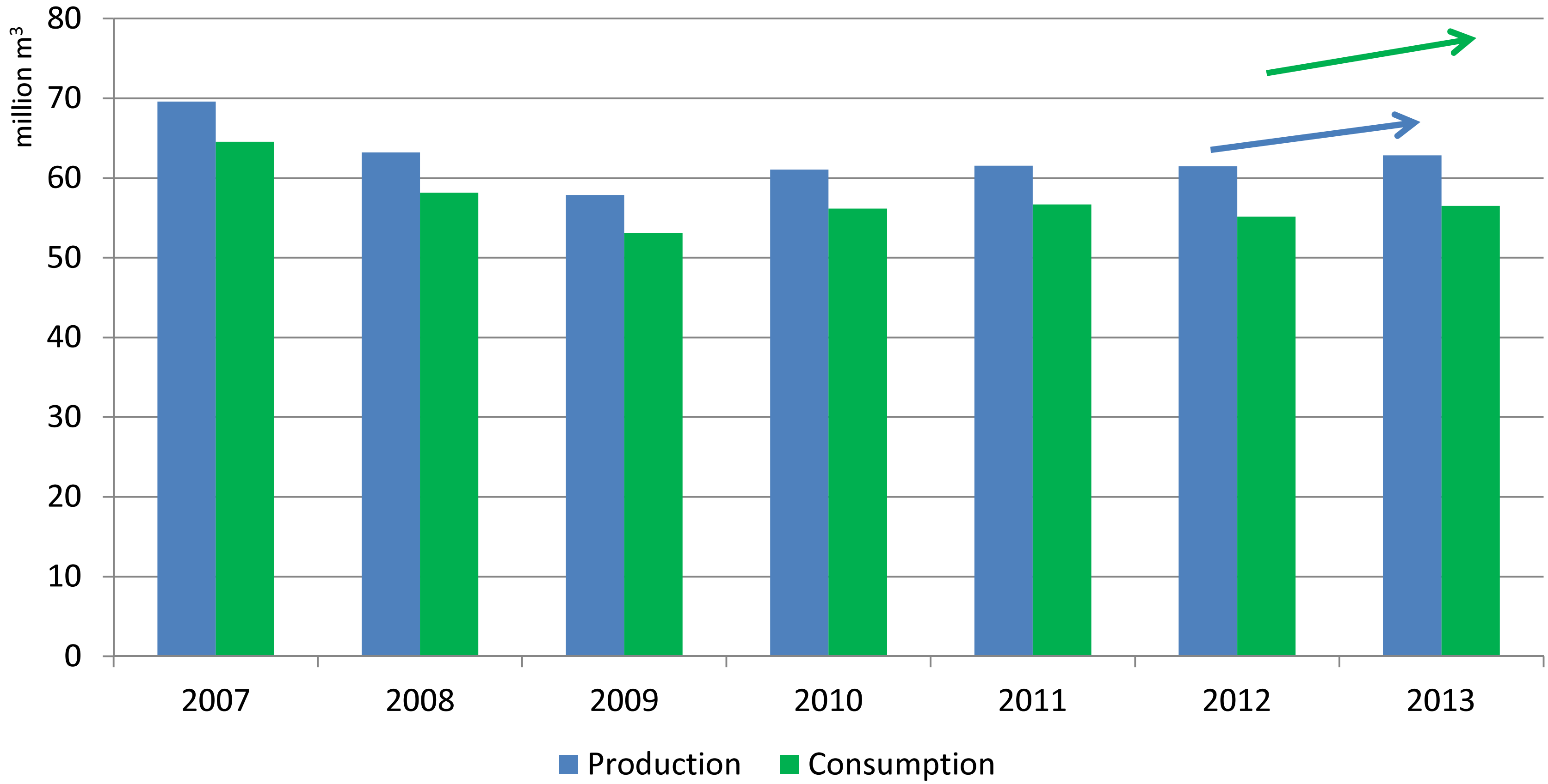
## Reconstituted panels

# Reconstituted panels – Production and consumption 2007-2013

*Production and consumption increased by ca 1.3 $Mm^3$ in 2013 but was still clearly behind 2007 levels. OSB showed the largest growth (+10%) while fibreboard (mainly MDF) growth was more modest (+2.8%) and marginal in particleboard (+0.6%).*



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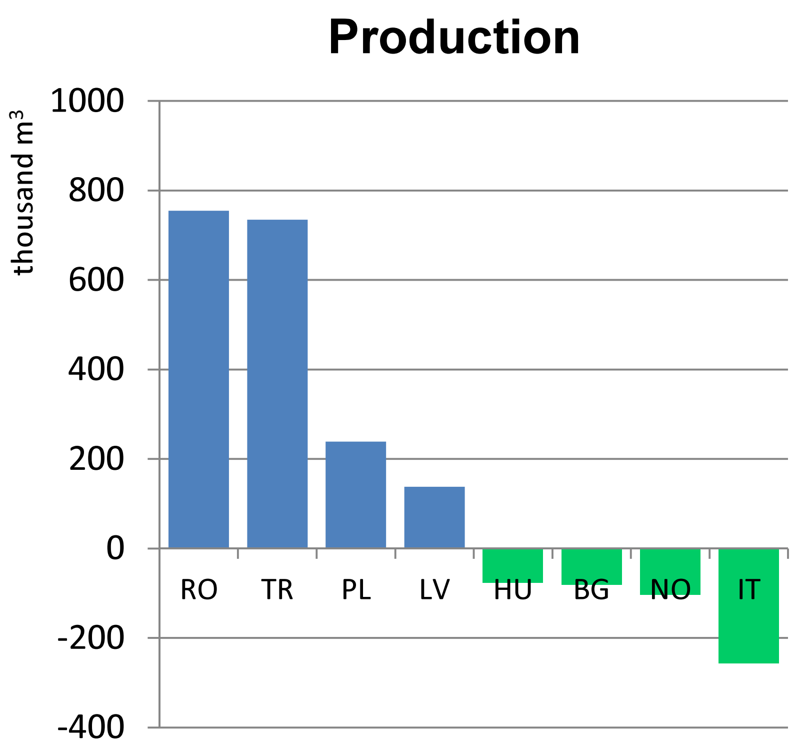
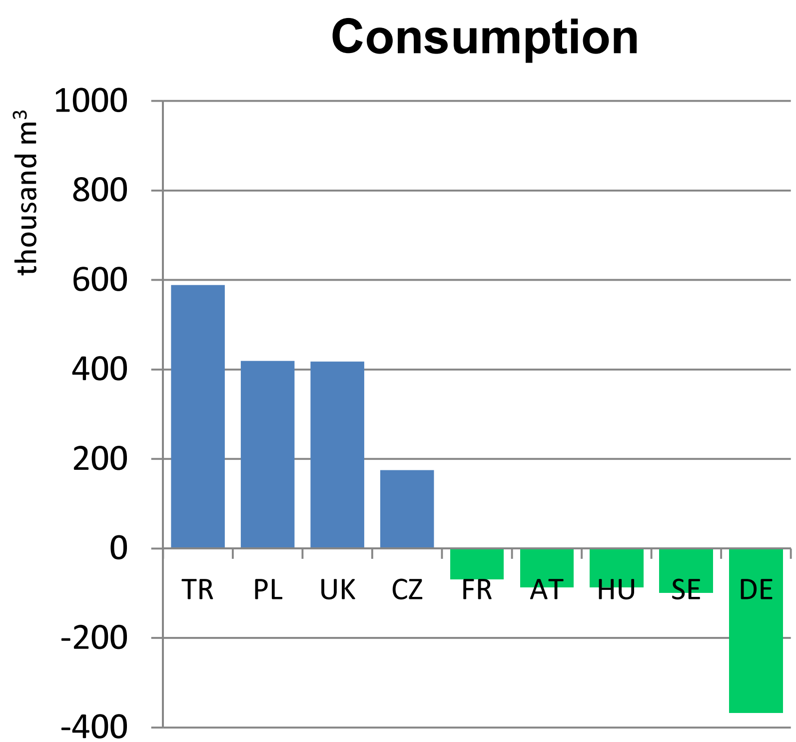
# Reconstituted panels – 2013 vs. 2012

*Romania and Turkey increased their MDF and particleboard production whereas Germany's drop in demand was a results of declined MDF and particleboard imports.*



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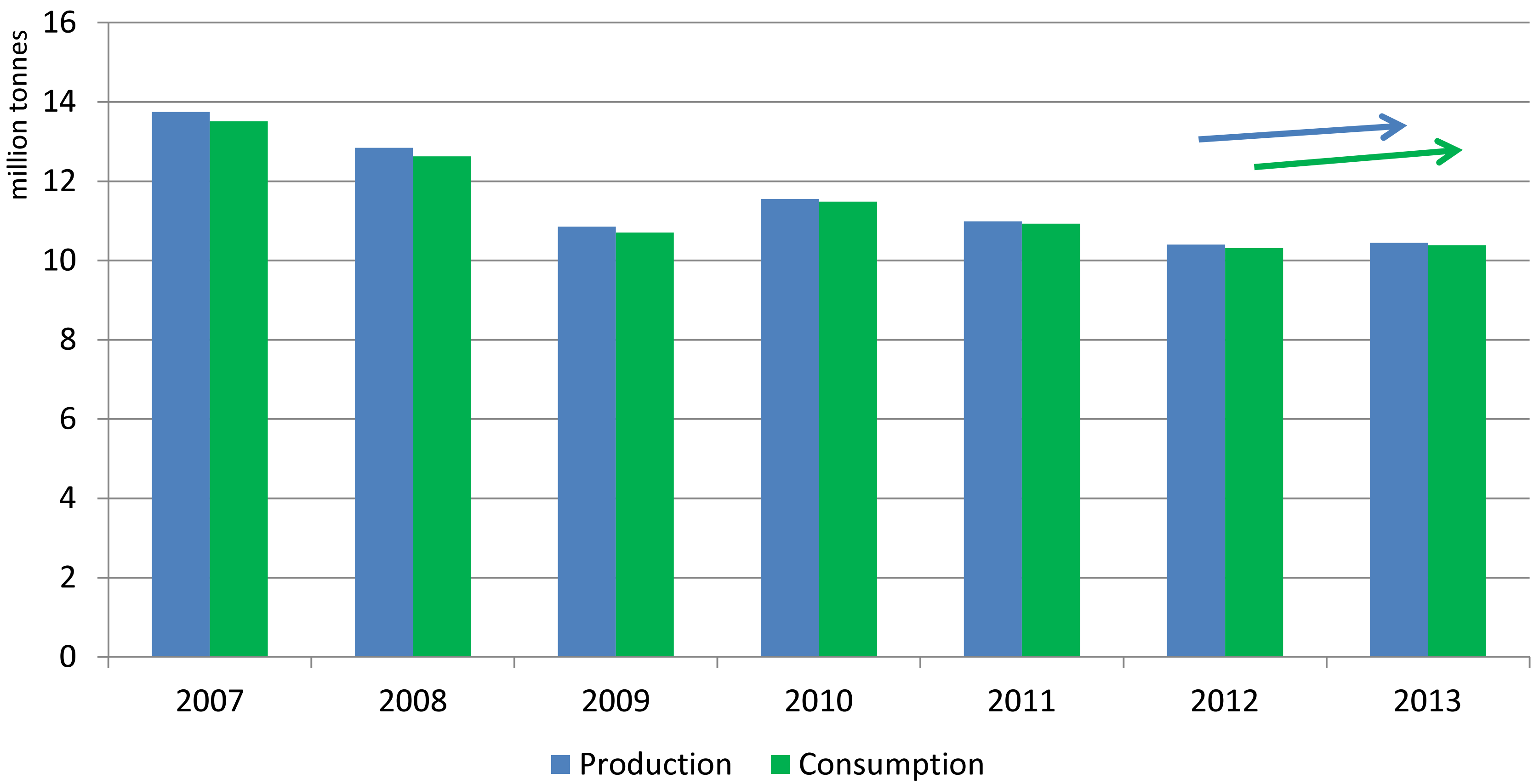
# Mechanical pulp

# Mechanical pulp – Production and consumption 2007-2013

*Both production and consumption increased slightly stopping the declining trend since 2010.*



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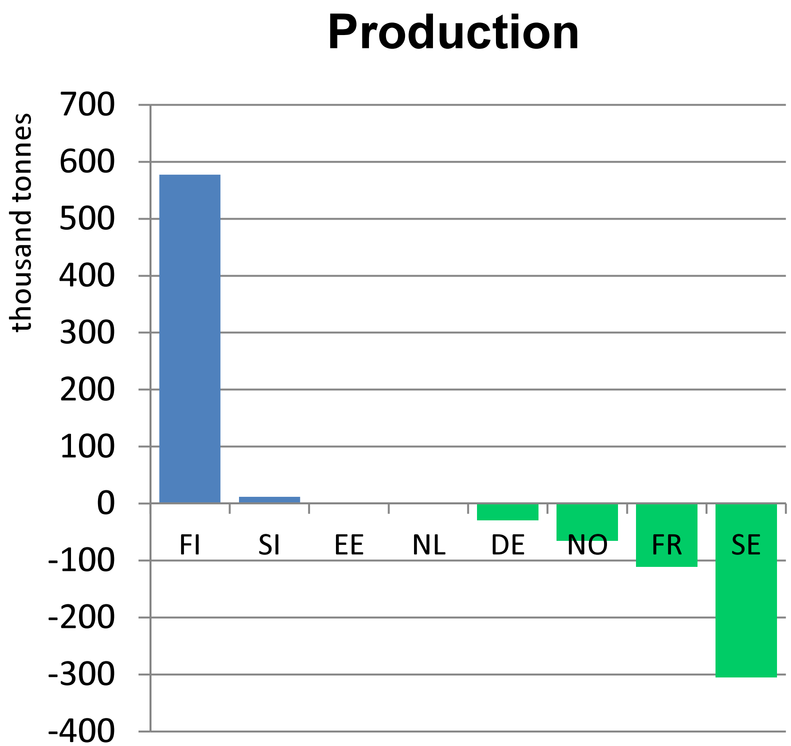
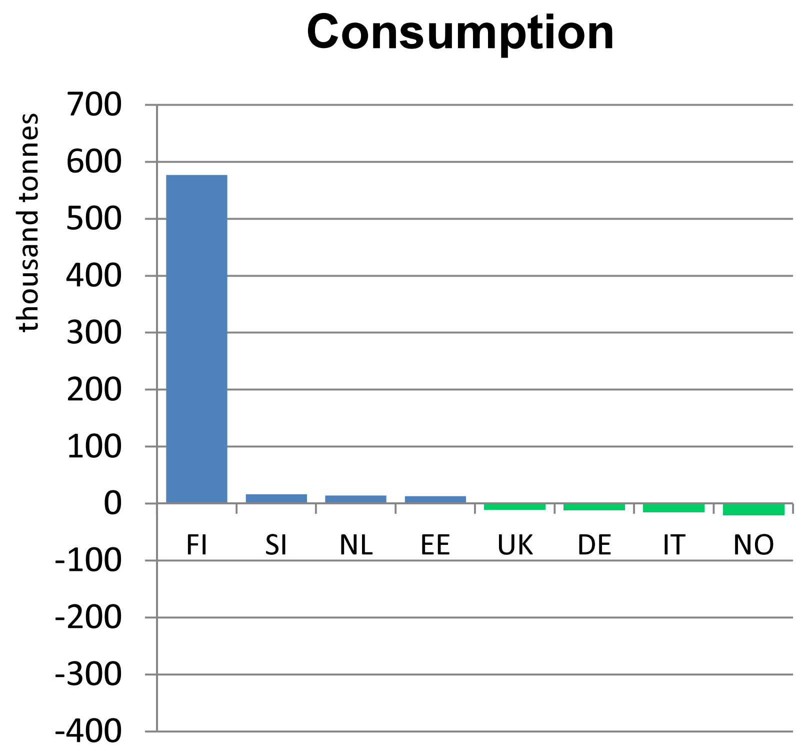
# Mechanical pulp – 2013 vs. 2012

*Finland was the single country with significant change in volumes due to the increasing demand for long fibre in key export markets following the lower availability of recovered paper.*



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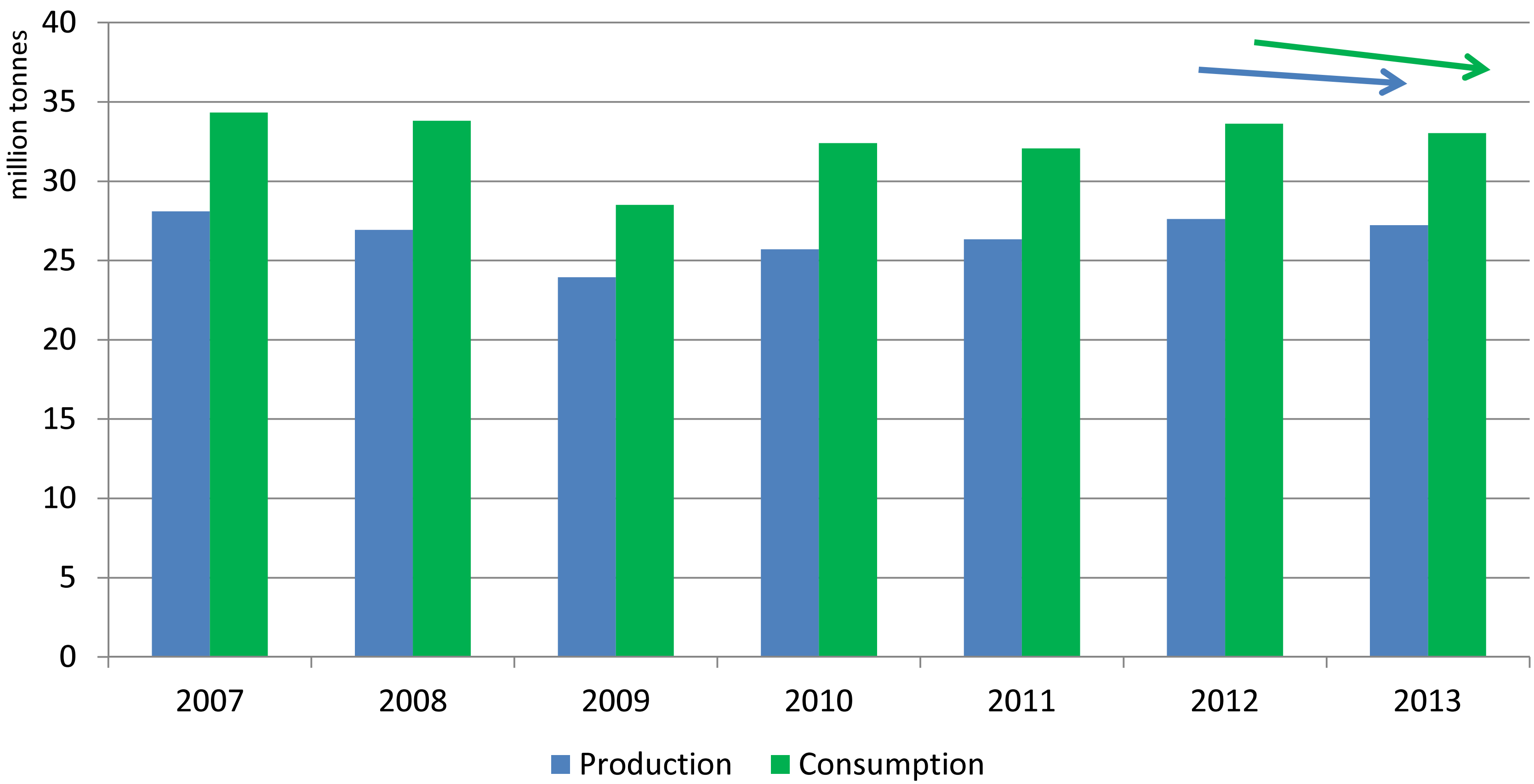
# Chemical pulp

# Chemical pulp – Production and consumption 2007-2013

*Both production (-370 000 t) and consumption (-600 000 t) declined in 2013. Even trade deficit declined the region is a clear net importer (ca. 5.8 million t).*



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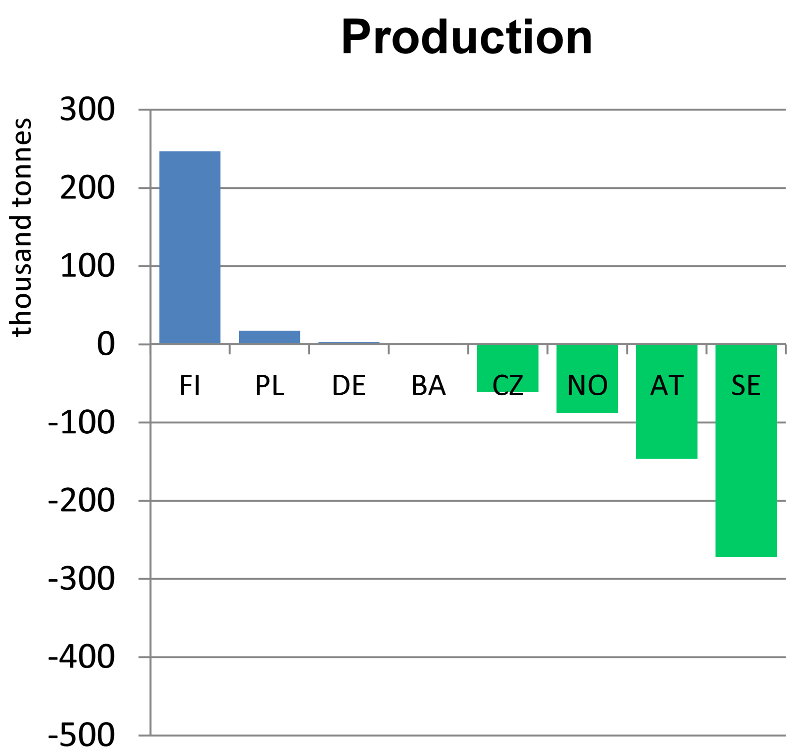
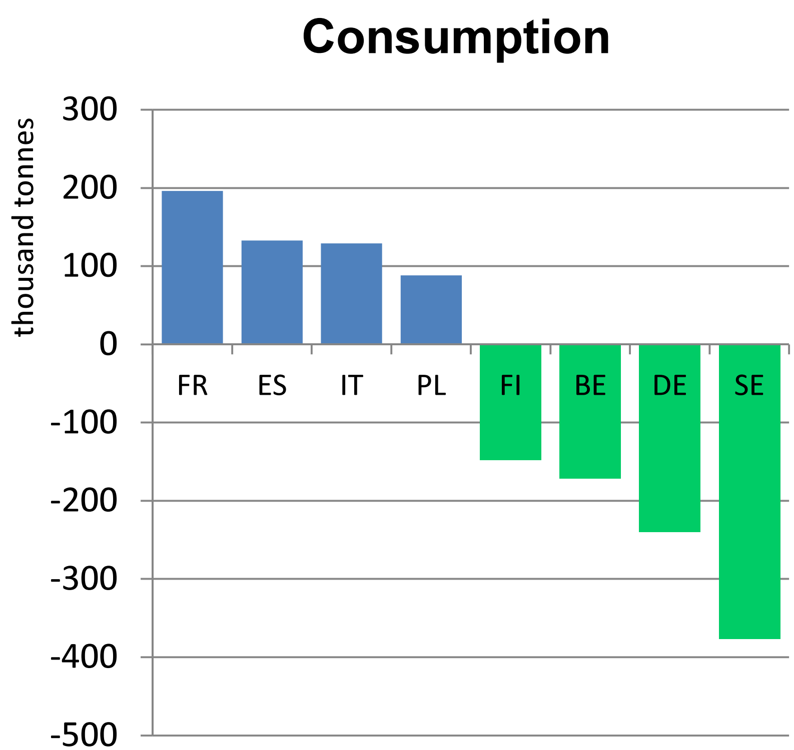
# Chemical pulp – 2013 vs. 2012

*Finland increased its production the most based on exports. Sweden faced a significant drop in both production and consumption. Consumption declined also in Germany and Belgium.*



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## Paper and paperboard

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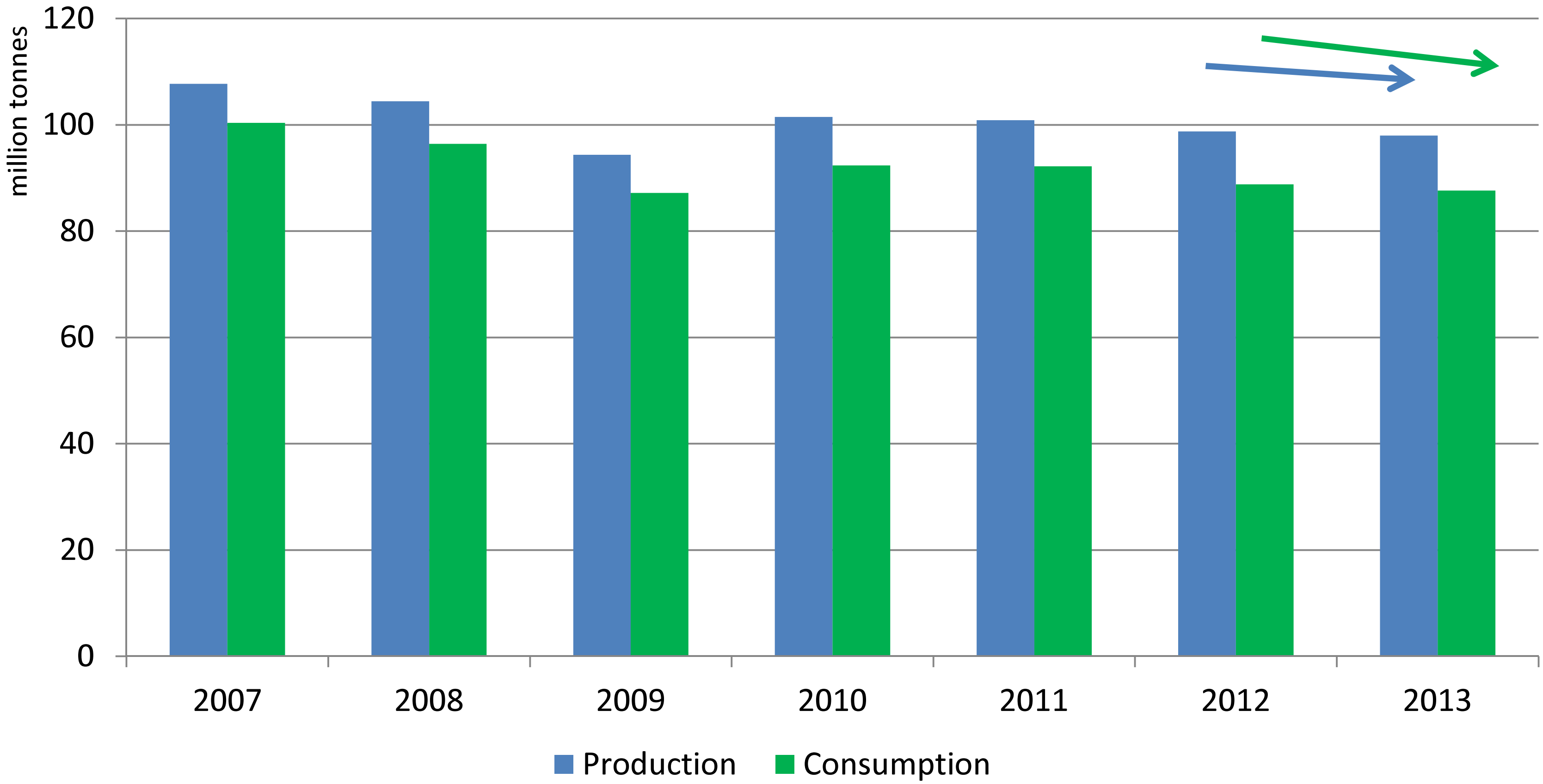
# Paper and paperboard – Production and consumption 2007-2013

*Decline in consumption (ca. -1.2 million t) outpaced the decline in regional production (ca. 800 000 t) in 2013. Current levels are over 10 million t lower than in 2007.*



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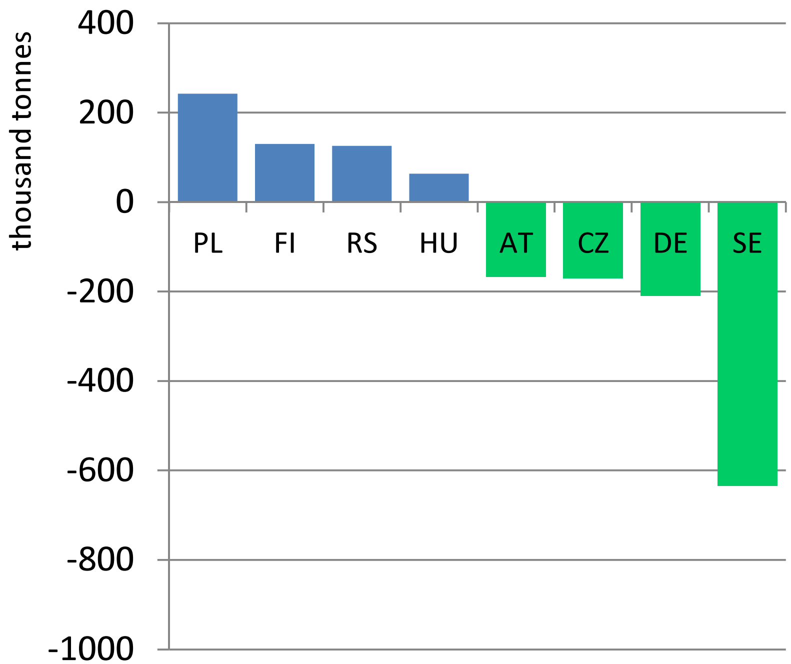
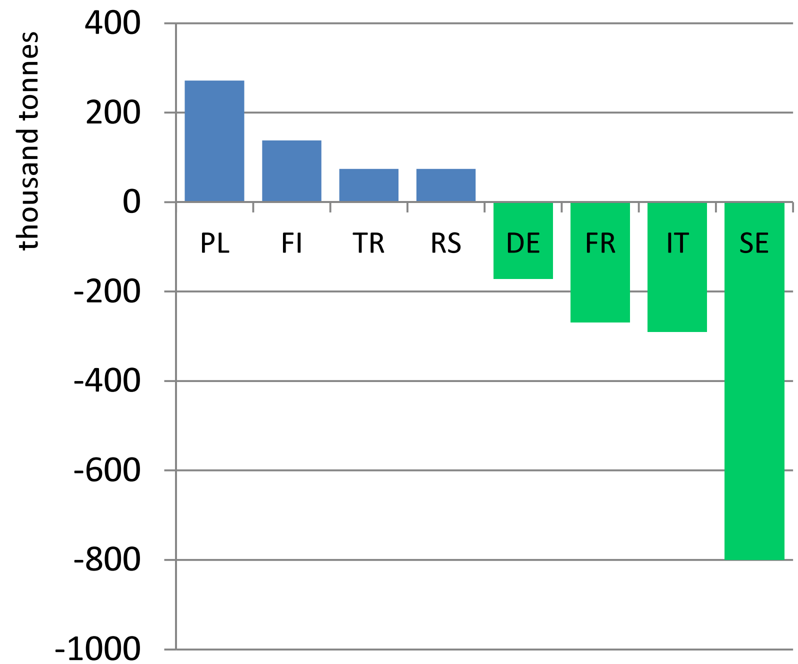
# Paper and paperboard – 2013 vs. 2012

*Poland and Finland showed increase in both production and consumption whereas especially Sweden but also Germany faced declined volumes.*

## Production




## Consumption



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# Committee on Forests and the Forest Industry
# Forecast 2013-2015

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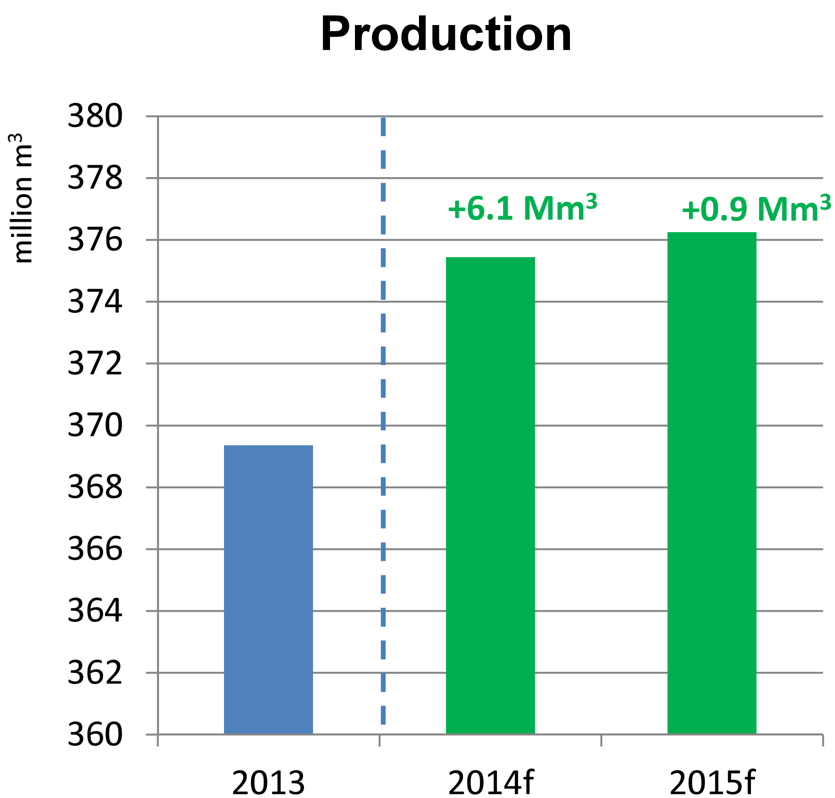
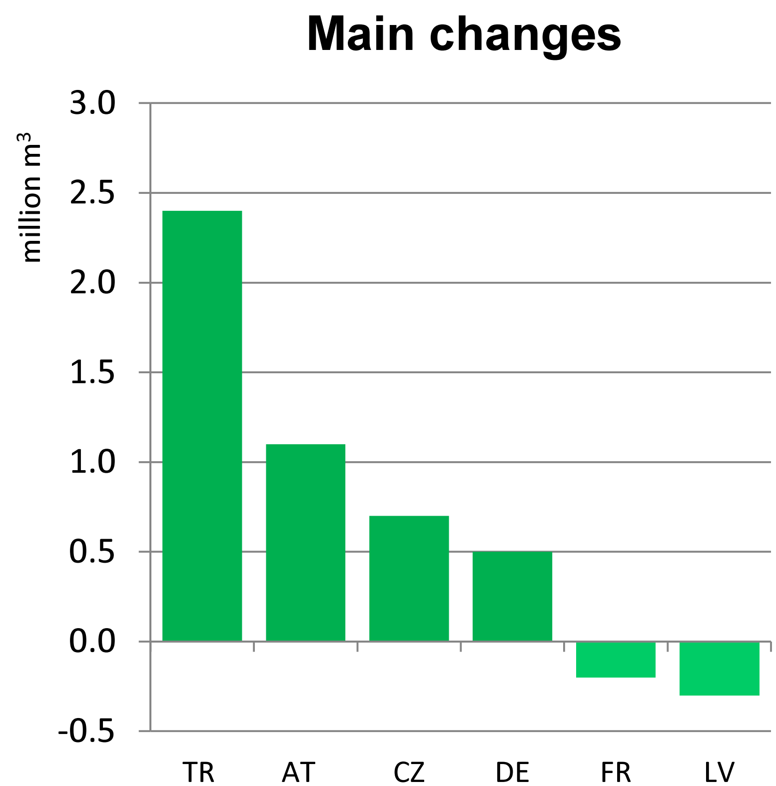
## Industrial roundwood – 2014 and 2015 forecast

*Harvesting forecast to increase in 2014 but to grow only moderately in 2015. Turkey to show the largest growth by far. Recently announced pulp investments in Finland require significant increase in current harvesting levels in the coming years.*




*Source: COFFI Forecast for Forest Products Production and Trade 2013-2015*



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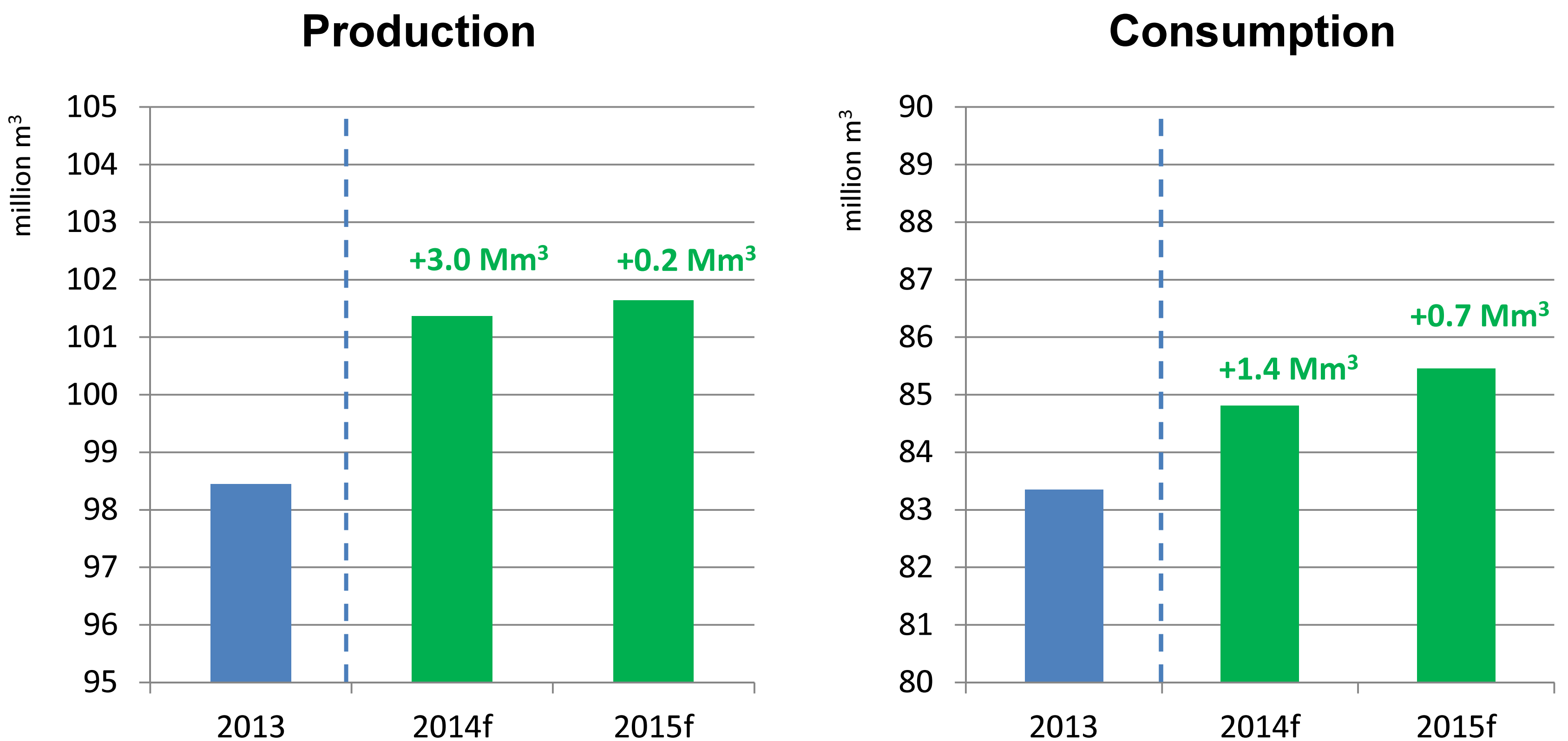
# Sawn softwood – 2014 and 2015 forecast

*Production forecast to exceed 100 Mm³ in 2014 – second time since 2007. Sweden and Finland well ahead of 2013 levels after 1-9 2014. Austria, France and the UK also expected to increase output. Slower growth in consumption forecast indicating increasing extra-regional trade.*




*Source: COFFI Forecast for Forest Products Production and Trade 2013-2015*



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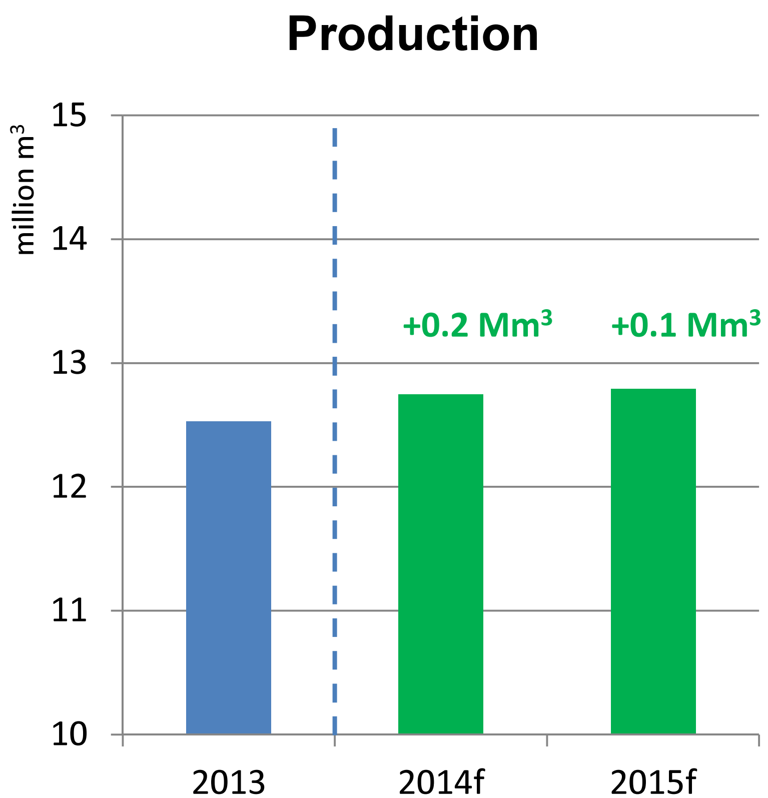
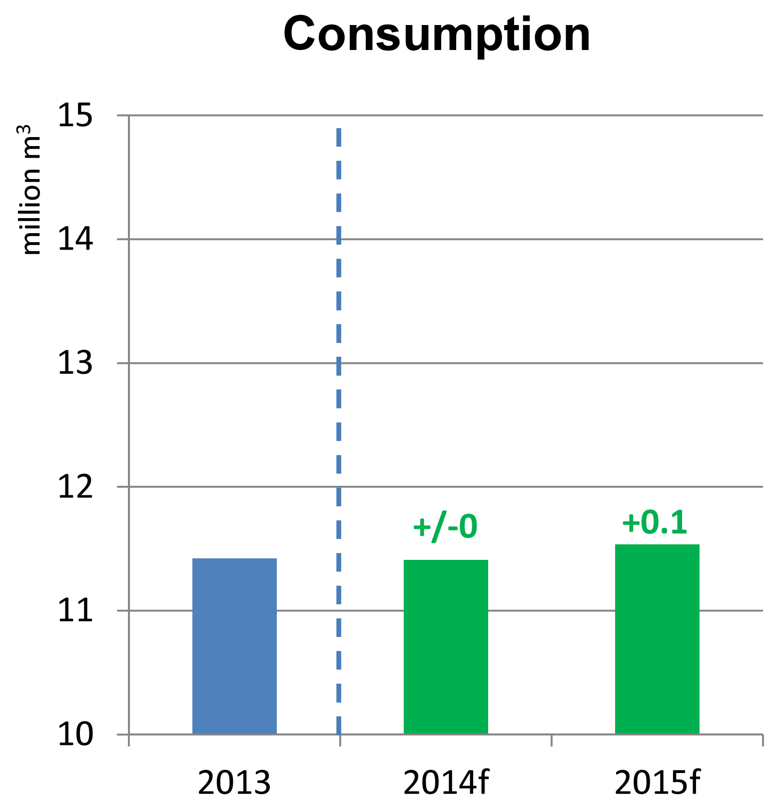
## Sawn hardwood – 2014 and 2015 forecast

*2014 production forecast to increase modestly based on exports. Turkey expecting to face the largest growth in output.*




*Source: COFFI Forecast for Forest Products Production and Trade 2013-2015*



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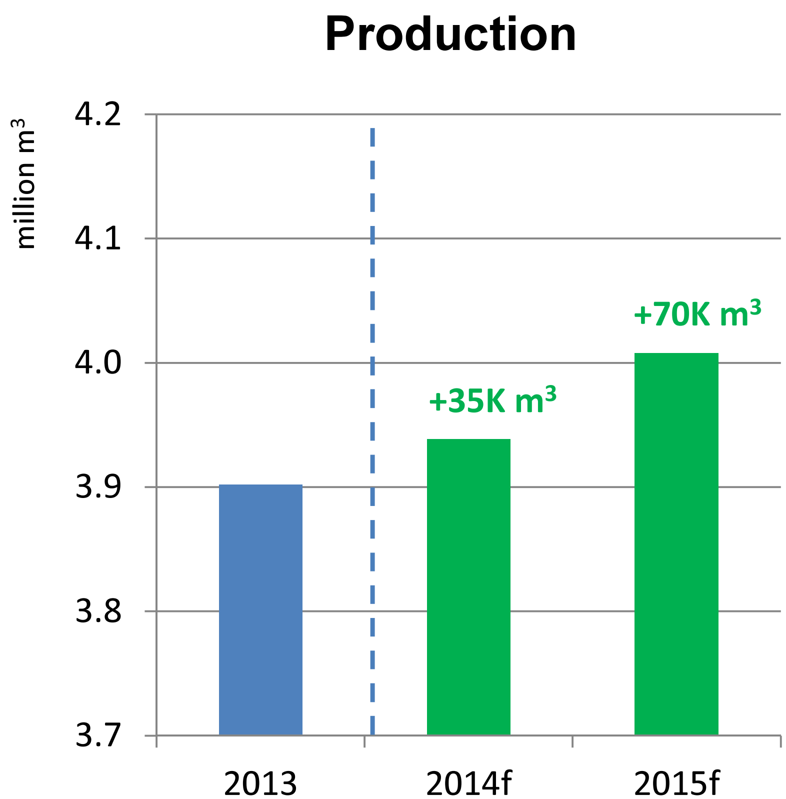
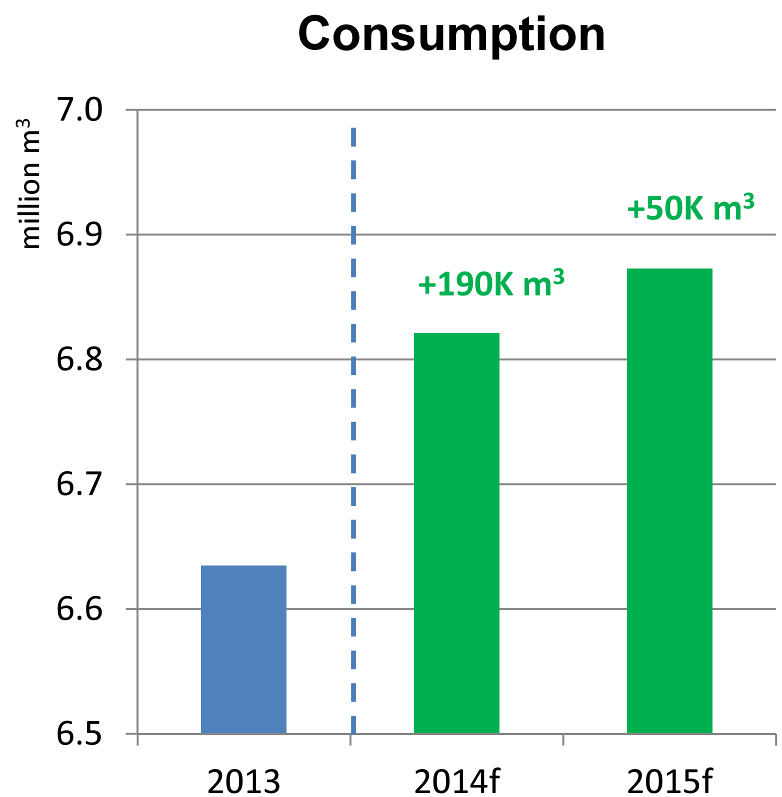
# Plywood – 2014 and 2015 forecast

*Great majority of the expected demand growth in 2014 to be met with increased extra-region imports. Finland to show the largest growth in output (+9% after 1-9 2014). Regional increase in output to exceed regional increase in demand in 2015.*




*Source: COFFI Forecast for Forest Products Production and Trade 2013-2015*



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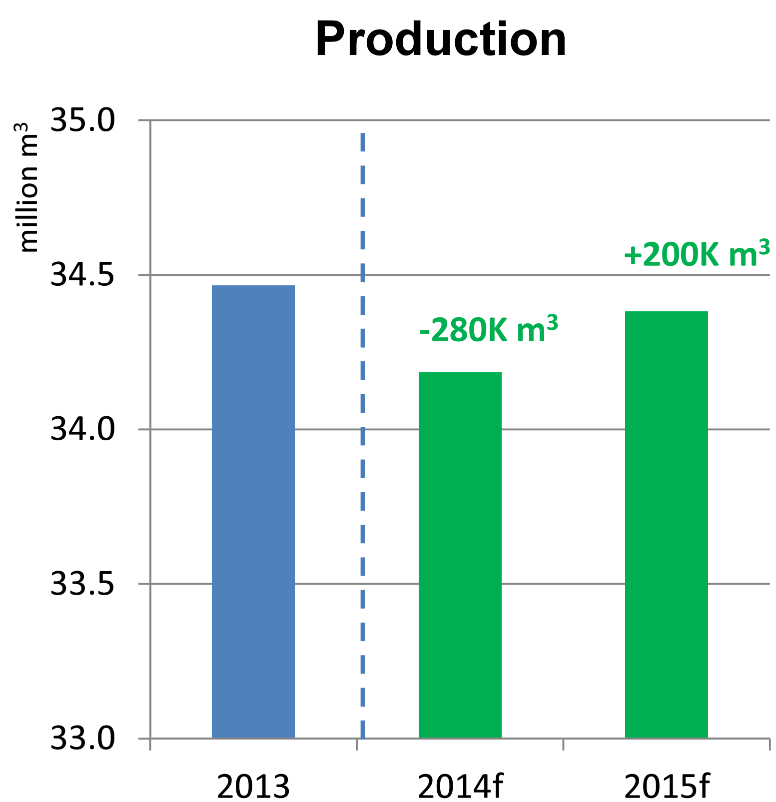
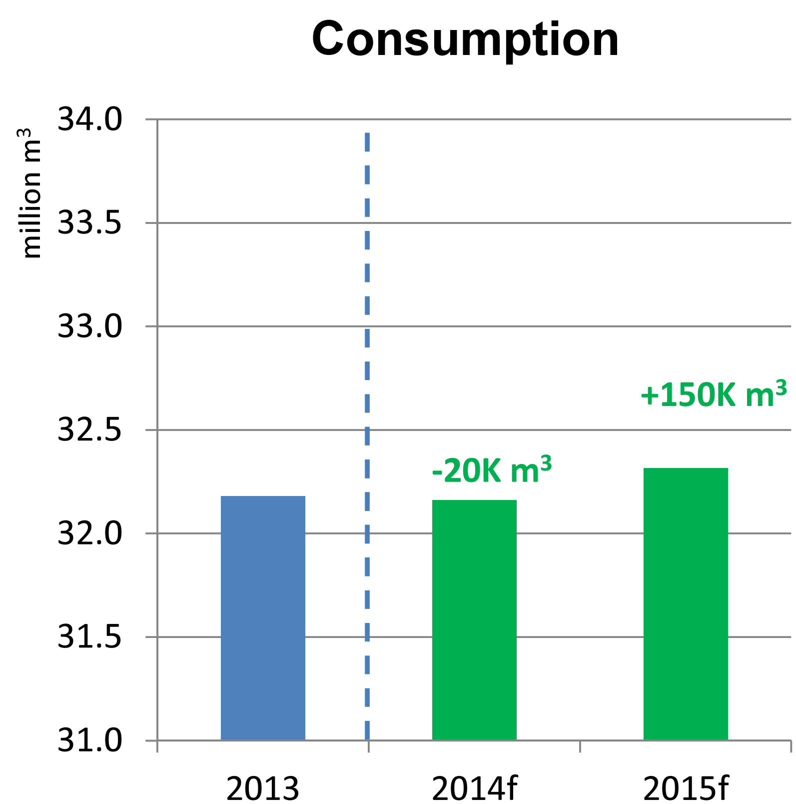
# Particleboard – 2014 and 2015 forecast

*Regional production forecast to drop in 2014 with France expected to face a major decline in output followed by Romania. Turkey to increase its annual output.*




*Source: COFFI Forecast for Forest Products Production and Trade 2013-2015*



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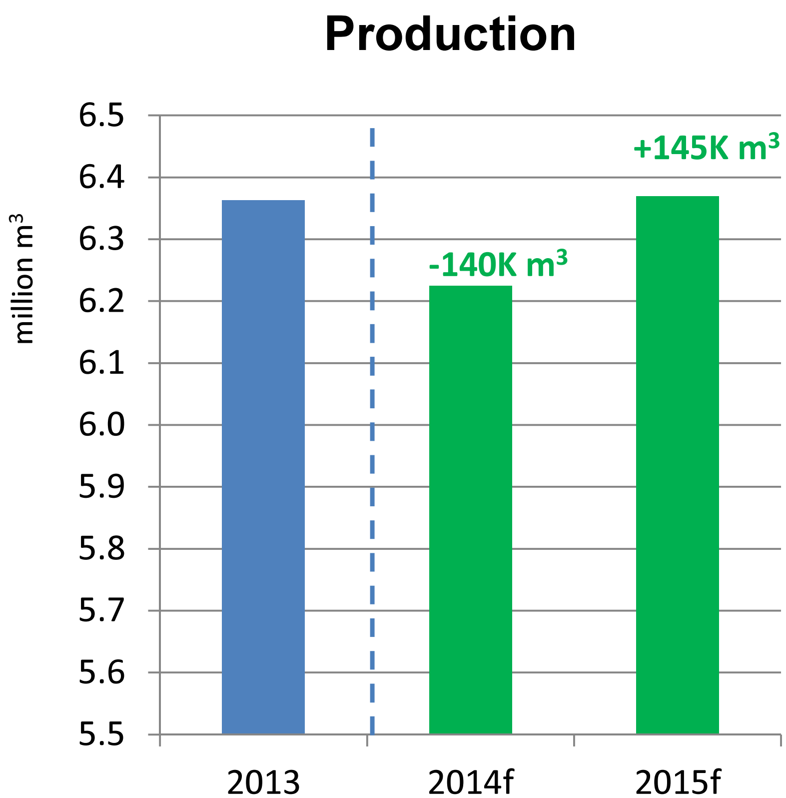
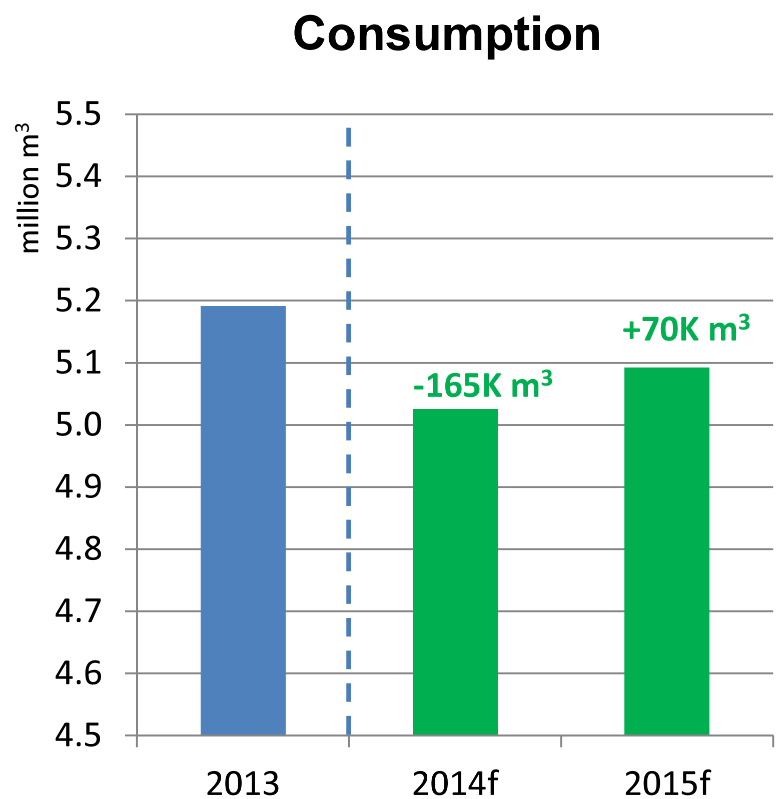
# OSB – 2014 and 2015 forecast

*Regional production forecast to drop in 2014 but to rebound in 2015 fuelled by growth in Poland.*




*Source: COFFI Forecast for Forest Products Production and Trade 2013-2015*



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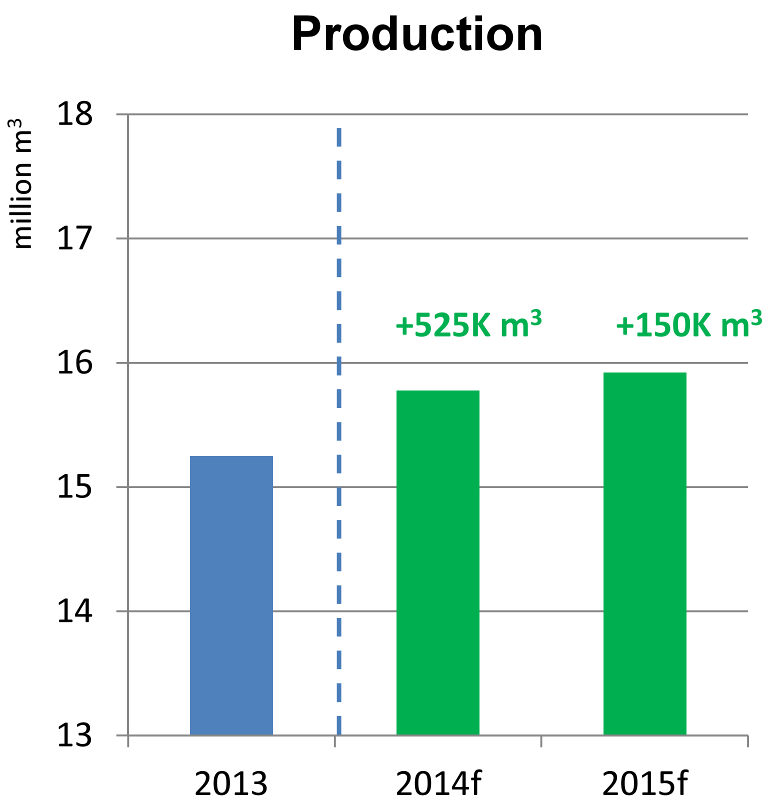
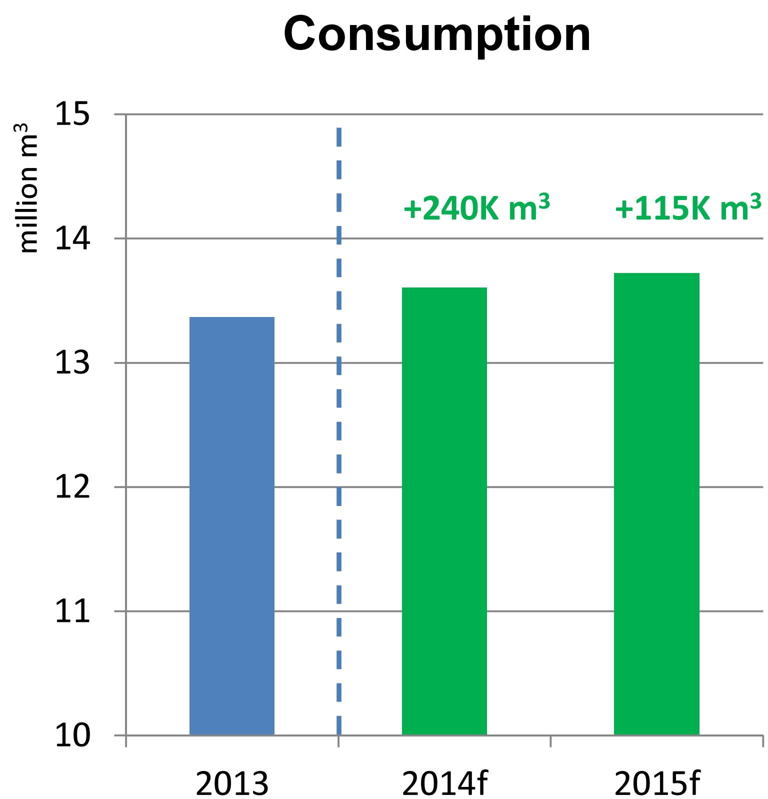
# MDF – 2014 and 2015 forecast

*2014 production forecast to increase significantly relying on extra-region exports. Turkey accounting for the increment whereas Austria expecting to face the biggest drop. Growth, both production and consumption, expected to continue also in 2015 but at a slower pace.*




*Source: COFFI Forecast for Forest Products Production and Trade 2013-2015*



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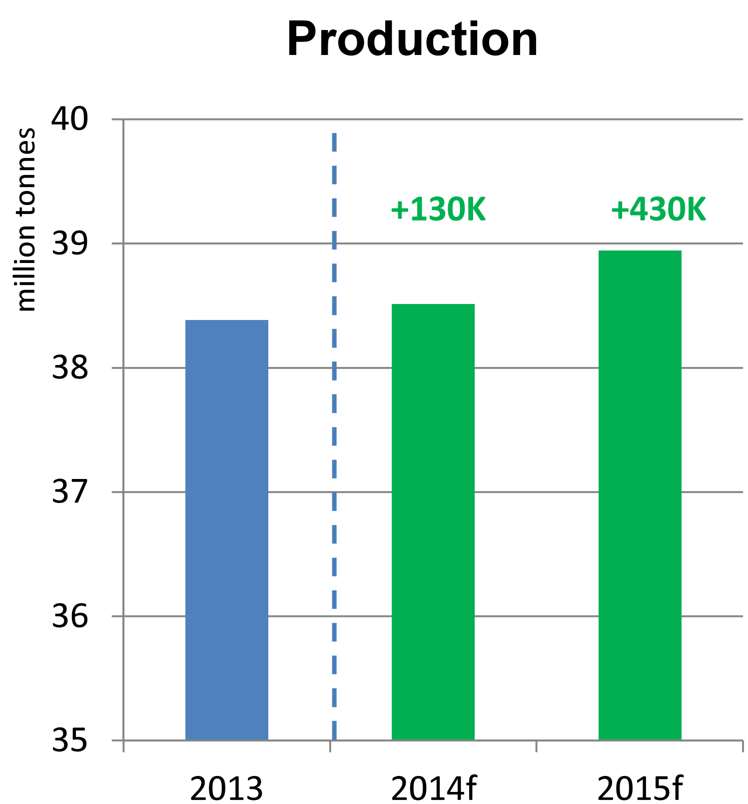
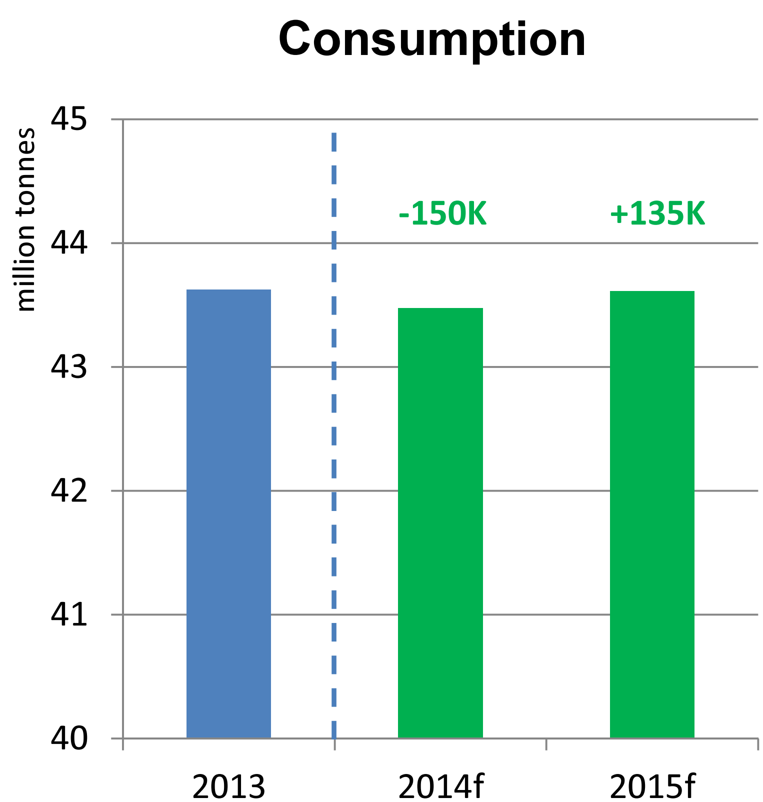
# Wood pulp – 2014 and 2015 forecast

*Finland to represent over half of the expected production growth while France and Sweden to face the largest declines in consumption. Output in Finland expected to grow by over 500 000 t in the coming years.*




*Source: COFFI Forecast for Forest Products Production and Trade 2013-2015*



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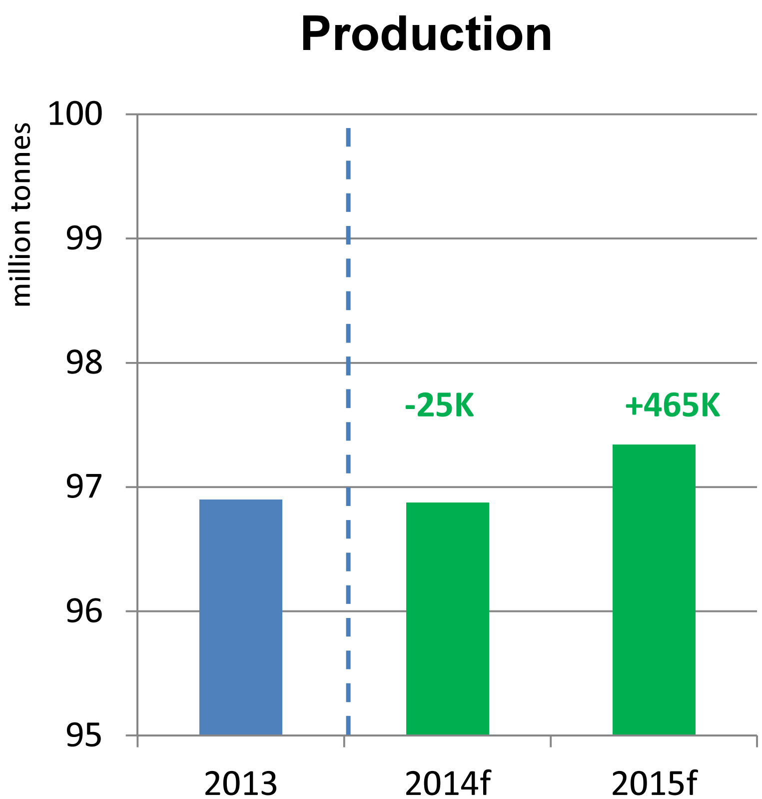
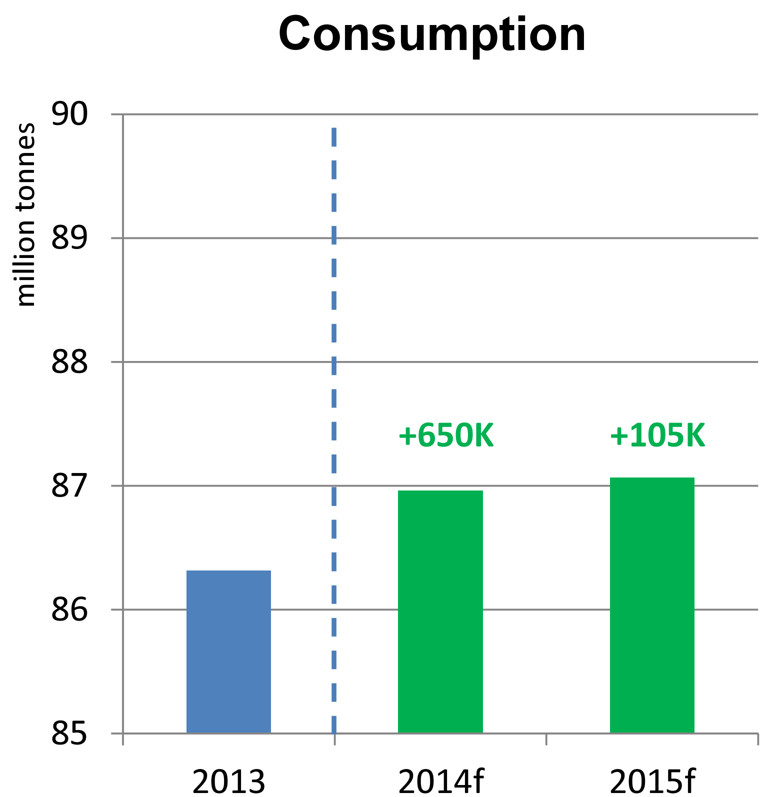
## Paper and paperboard – 2014 and 2015 forecast

*2014 consumption forecast to increase significantly (Spain, Sweden and France) with only marginal growth in regional output. Production to increase in 2015 driven by growth in Sweden and the UK.*



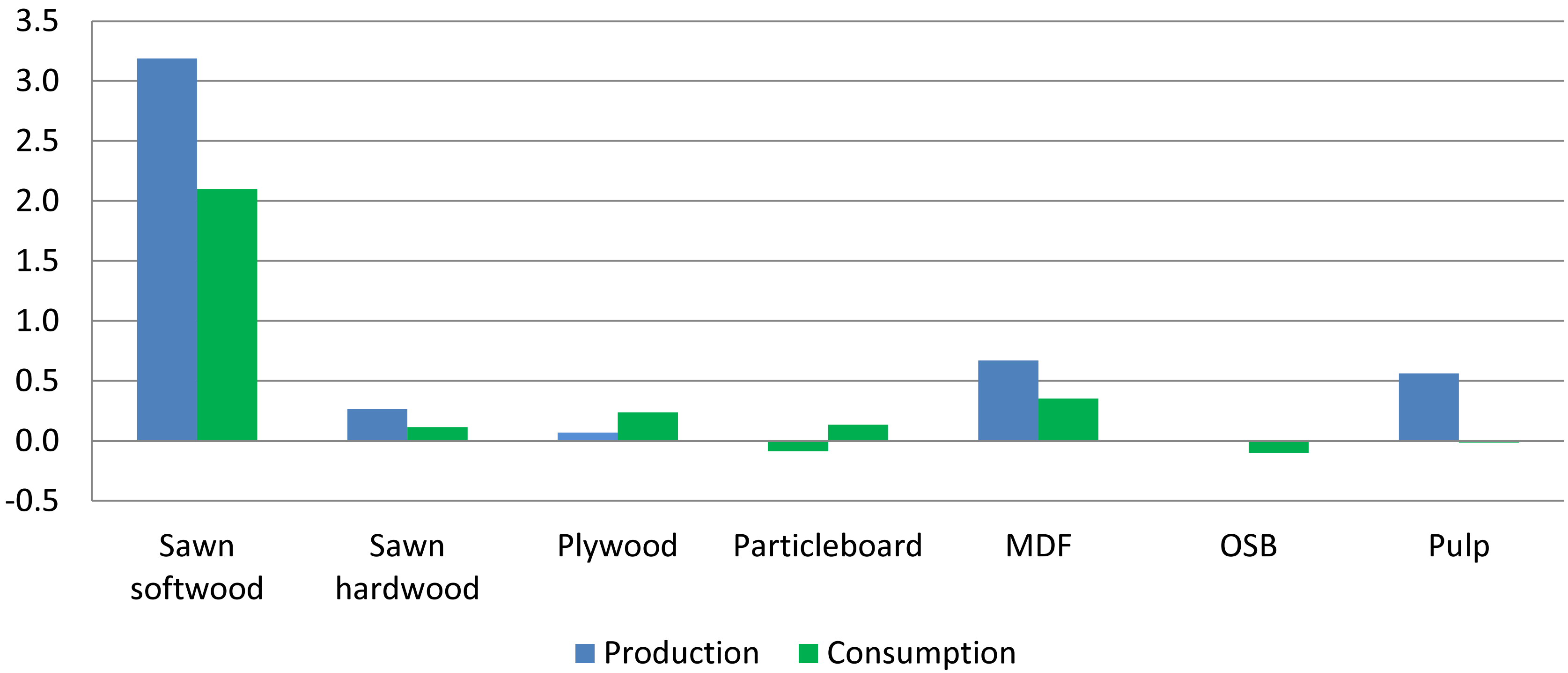




*Source: COFFI Forecast for Forest Products Production and Trade 2013-2015*

# Conclusion

# Conclusion – 2015 forecast vs. 2013

*Sawn softwood forecast to show the largest growth both in production and consumption partly based on increasing exports outside the region. MDF and pulp output also expected to outpace regional consumption.*




*Source: COFFI Forecast for Forest Products Production and Trade 2013-2015*



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