



72nd International
SOFTWOOD CONFERENCE
TAORMINA 2024 • 16th/18th October



72nd INTERNATIONAL

**SOFTWOOD
CONFERENCE**

Taormina
16th-18th october



MARKET SURVEY



www.iscevent2024.com



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MARKET SURVEY





EOS/ETTF MARKET SURVEY 2024



TABLE OF CONTENTS

GENERAL OVERVIEW

SOFTWOOD PRODUCTION.....	4
SOFTWOOD CONSUMPTION.....	6
PRICE AND COST DEVELOPMENT.....	8
SOFTWOOD LOGS AVAILABILITY.....	9

COUNTRY REPORTS

AUSTRIA PRODUCER.....	12
BELGIUM PRODUCER& USER.....	14
CANADA PRODUCER.....	16
DENMARK PRODUCER& USER.....	18
FINLAND PRODUCER.....	20
FRANCE PRODUCER.....	22
GERMANY PRODUCER.....	26
GERMANY USER.....	35
GREECE USER.....	42
ITALY USER.....	43
LATVIA PRODUCER.....	53
MOROCCO USER.....	54
THE NETHERLANDS USER.....	56
NORWAY PRODUCER.....	63
POLAND PRODUCER.....	65
ROMANIA PRODUCER.....	66
SPAIN USER.....	67
SWEDEN PRODUCER.....	72
SWITZERLAND PRODUCER.....	74
UNITED KINGDOM USER.....	75
USA PRODUCER.....	78

TABLES AND GRAPHS

Note 1: the following information, table and graphs are based on information supplied by EOS and ETTF members federations and partners. Although we try to align the information with UNECE/FAO some information may differ from that included in the FAO database.

Note 2: all data for 2024 are prognoses. Forecasts given for 2025.

Information collection: Diego Benedetti



SOFTWOOD PRODUCTION

Development of Softwood Production (1000 m³) - by region

	2022	2023	2024	2025
EUROPE (ISC)	92.630	88.162	86.399	88.692
North America	100.719	95.004	94.643	95.232
TOTAL	193.349	183.166	181.042	183.924

Fig. 1. Production Changes in %, 2021-2025

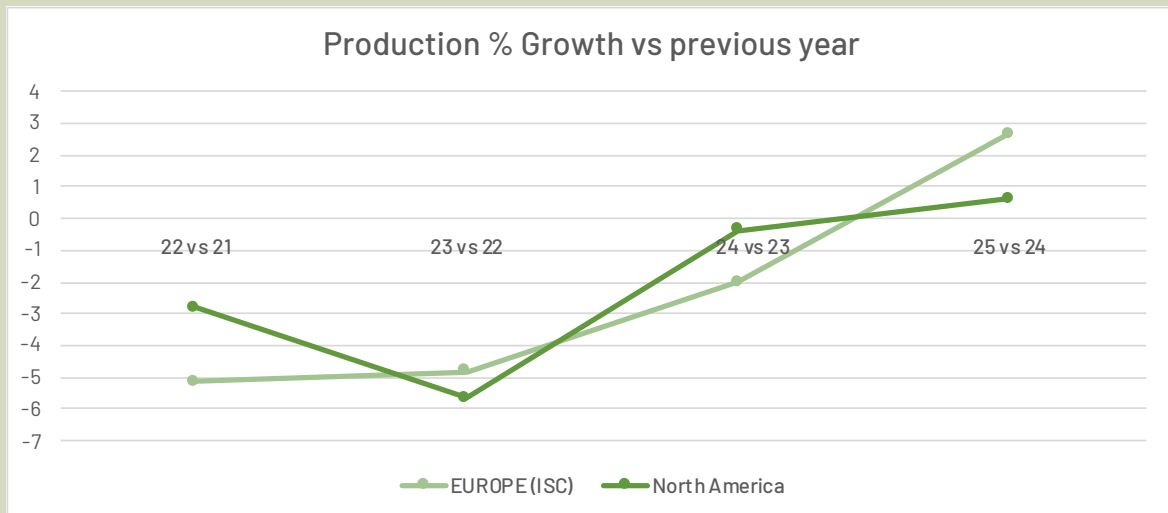
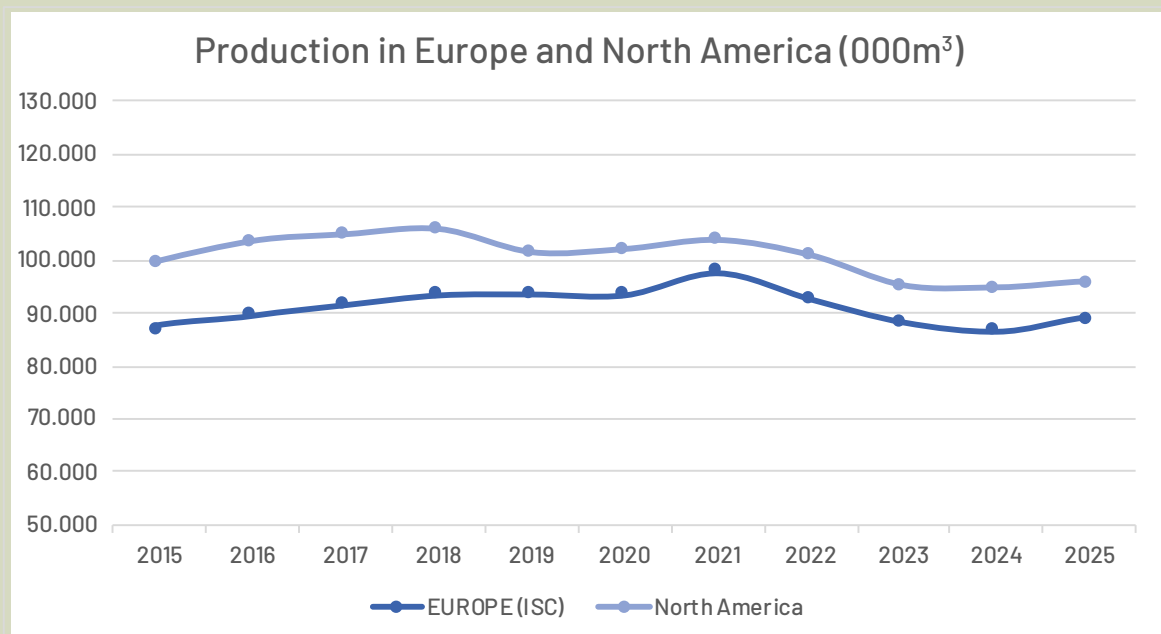


Fig. 2. Development of Softwood Production 2015-2025



Development of Softwood production (1000 m³) - by country

Country	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
AT	8.605	9.250	9.650	10.200	10.343	10.339	10.582	10.100	9.125	9.581	9.700
BE	1.500	1.400	1.350	1.450	1.450	1.460	1.500	1.450	1.350	1.270	1.300
CH	1.060	1.074	1.037	1.078	1.077	1.114	1.196	1.195	1.150	1.127	1.161
DE	20.434	21.109	22.050	22.780	23.505	25.216	25.313	24.309	22.944	22.250	22.700
DK	352	310	360	324	331	360	400	375	233	240	250
ES	2.062	1.821	2.375	2.496	2.536	2.391	2.873	1.818	2.523	2.573	2.603
FI	10.600	11.400	11.700	11.800	11.354	10.900	11.900	11.200	10.400	10.000	11.000
FR	6.223	6.400	6.596	6.795	6.559	6.400	7.000	7.000	6.700	6.400	6.500
IT	920	950	970	950	900	900	950	950	855	855	855
LV	2.690	2.792	2.662	2.730	2.660	2.600	2.700	2.847	2.569	2.700	2.700
NL	129	126	110	82	80	76	110	115	113	113	113
NO	2.444	2.533	2.655	2.675	2.650	2.680	2.811	2.705	2.490	2.500	2.400
PL	4.315	4.356	4.419	4.500	4.443	4.200	4.250	4.144	4.150	4.130	4.150
RO	3.600	4.340	3.600	3.550	3.500	3.000	3.500	2.400	2.900	2.700	2.800
SE	18.100	18.010	18.309	18.300	18.600	18.400	19.050	18.800	17.800	17.100	17.600
UK	3.449	3.624	3.719	3.719	3.617	3.408	3.574	3.221	2.860	2.860	2.860
EUROPE (ISC)	86.483	89.495	91.562	93.429	93.604	93.444	97.709	92.630	88.162	86.399	88.692
USA	53.785	55.300	57.414	59.332	59.767	62.733	63.401	64.308	63.411	62.143	62.732
CAN	45.362	48.158	47.304	46.370	41.527	39.190	40.227	36.411	31.593	32.500	32.500
North America	99.147	103.458	104.718	105.701	101.294	101.923	103.627	100.719	95.004	94.643	95.232
TOTAL	185.630	192.952	196.281	199.131	194.898	195.366	201.337	193.349	183.166	181.042	183.924

*Blue cells show that forecasts for 2025 were not available so values have been calculated by repeating the 2024 data

**Gold cells values have been calculated using FAOStat data

***Greece is missing because values are not consistent with FAOStat values

Fig 3. Sawn softwood production % difference 2024 vs 2023



SOFTWOOD CONSUMPTION

Development of Softwood Consumption (1000 m³) - by region

	2022	2023	2024	2025
EUROPE (ISC)	73.167	67.375	65.365	67.193
North America	102.830	98.158	97.906	99.486
TOTAL	175.997	165.533	163.270	166.679

Fig. 4. Consumption Changes in %, 2021-2025

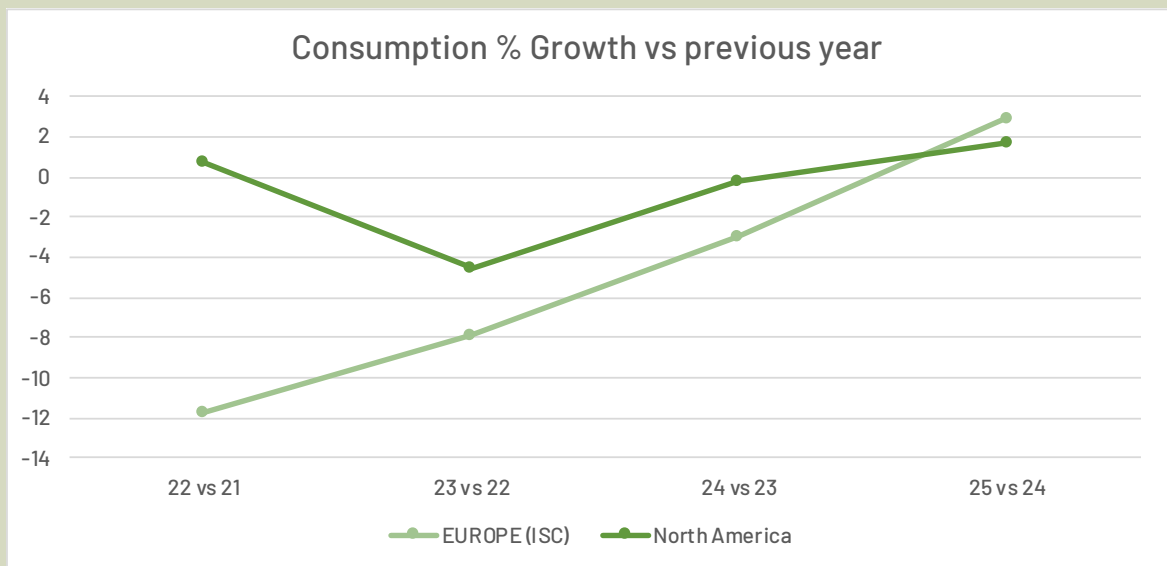
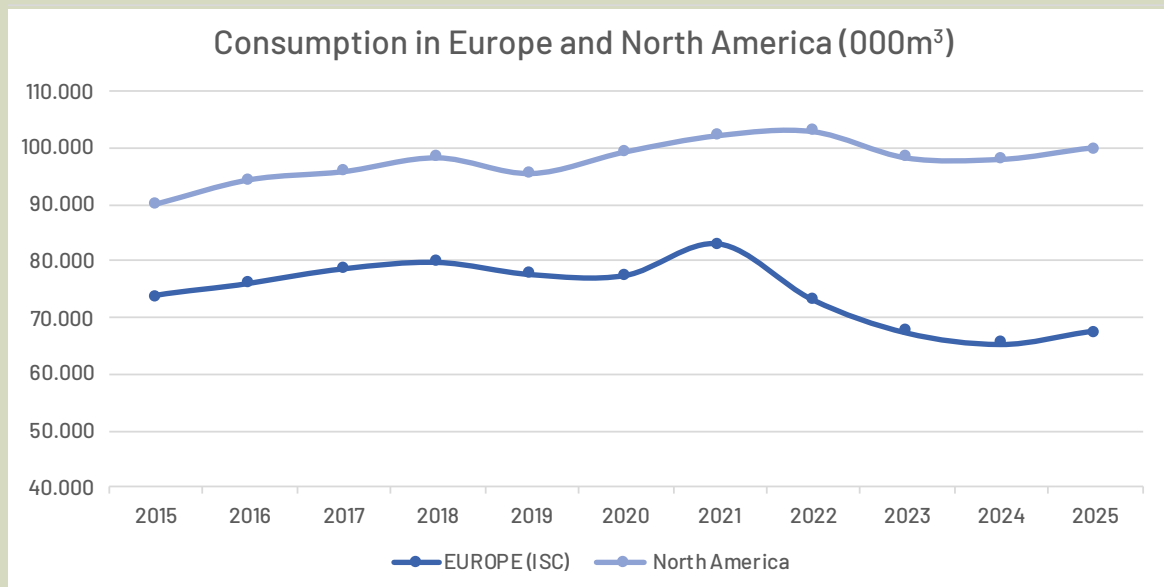


Fig 5. Development of softwood consumption, 2015-2025



Development of Softwood consumption (1000 m³) - by country

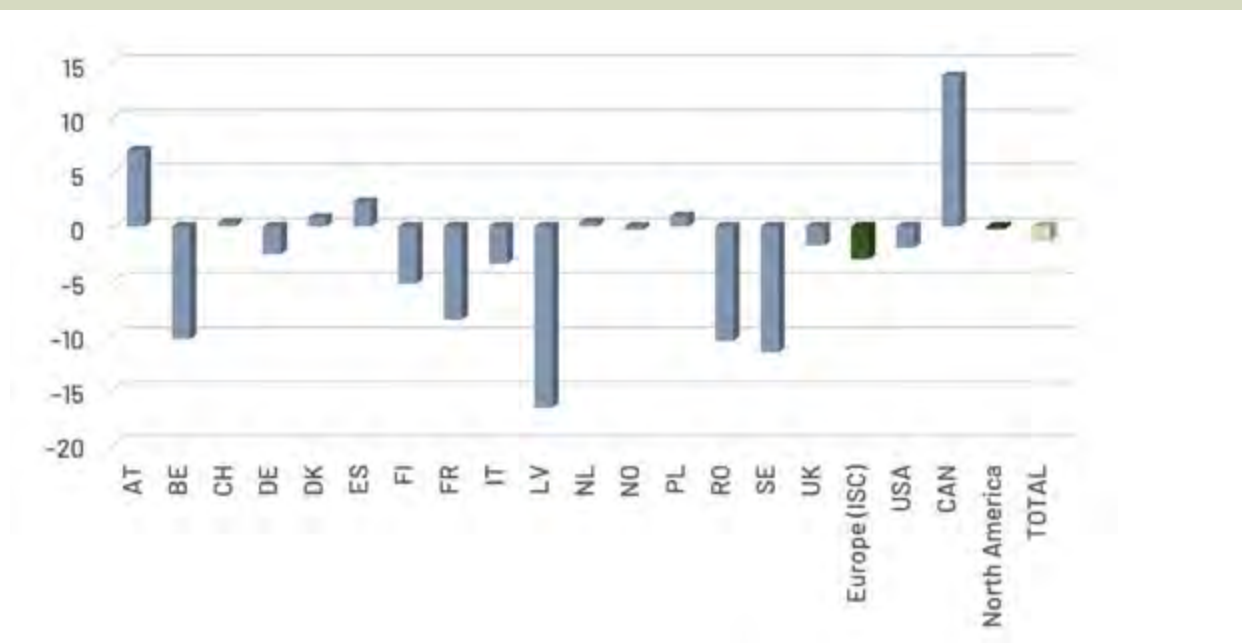
Country	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
AT	5.268	5.756	5.950	6.170	6.064	6.175	6.530	6.137	5.108	5.466	5.600
BE	2.450	2.450	2.600	2.750	2.750	2.760	3.300	2.790	1.640	1.470	1.500
CH	1.190	1.187	1.181	1.213	1.183	1.220	1.281	1.299	1.238	1.242	1.256
DE	18.483	18.729	19.285	19.597	19.416	20.629	20.104	17.294	16.059	15.650	15.500
DK	2.021	1.538	1.520	1.298	1.261	1.520	1.583	1.278	1.113	1.122	1.180
ES	2.788	2.597	3.131	3.270	3.316	3.036	3.537	2.855	3.314	3.388	3.430
FI	3.100	3.200	2.900	3.000	2.506	2.700	3.000	2.300	1.900	1.800	2.000
FR	7.563	7.730	7.917	8.345	8.454	8.118	9.245	9.040	8.200	7.500	7.950
IT	4.642	4.801	4.972	4.718	4.010	3.714	4.230	5.454	4.614	4.456	4.456
LV	820	832	850	936	839	782	1.039	780	600	500	500
NL	2.116	2.210	2.297	2.397	2.238	2.447	2.750	2.259	2.264	2.273	2.343
NO	2.864	2.924	2.986	2.932	2.920	2.864	3.192	2.679	2.328	2.320	2.200
PL	4.339	4.289	4.489	4.580	4.703	4.350	4.350	4.166	4.225	4.265	4.365
RO	1.016	2.642	2.450	2.800	2.800	2.100	2.000	1.200	1.900	1.700	1.700
SE	5.450	5.500	5.780	5.705	5.500	5.300	5.800	4.900	4.410	3.900	4.600
UK	9.170	9.677	10.279	9.994	9.609	9.703	10.994	8.736	8.462	8.312	8.612
EUROPE (ISC)	73.280	76.062	78.587	79.705	77.569	77.418	82.935	73.167	67.375	65.365	67.193
USA	74.698	79.586	80.389	82.117	82.214	86.612	88.142	90.282	87.577	85.862	87.443
CAN	15.289	14.719	15.353	16.074	13.193	12.615	13.991	12.548	10.580	12.044	12.044
North America	89.987	94.305	95.742	98.191	95.407	99.226	102.133	102.830	98.158	97.906	99.486
TOTAL	163.267	170.367	174.328	177.896	172.976	176.645	185.068	175.997	165.533	163.270	166.679

*Blue cells show that forecasts for 2025 were not available so values have been calculated by repeating the 2024 data

**Data in the cells highlighted in yellow was unavailable and has been computed by combining production and trade figures

***Greece is missing because values are not consistent with FAOStat values

Fig 6. Sawn softwood consumption % difference 2024 vs 2023



PRICE AND COST DEVELOPMENT

Fig 7. Cost development Softwood logs

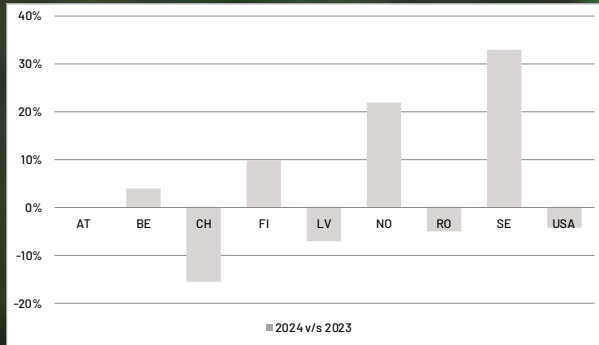


Fig 8. Cost development Energy

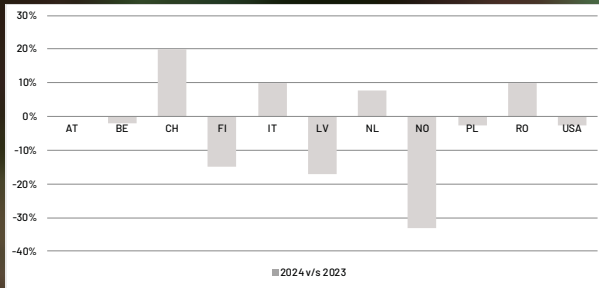


Fig. 9. Cost development Transport

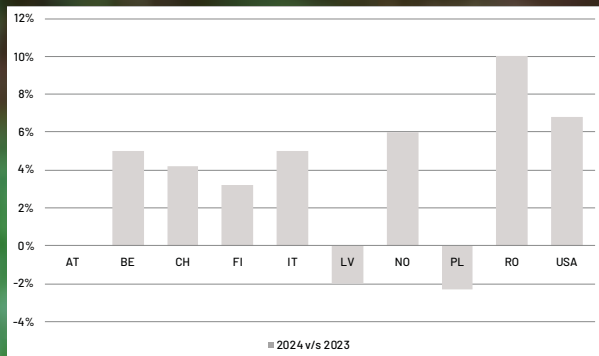


Fig. 10. Price development Sawn Softwood

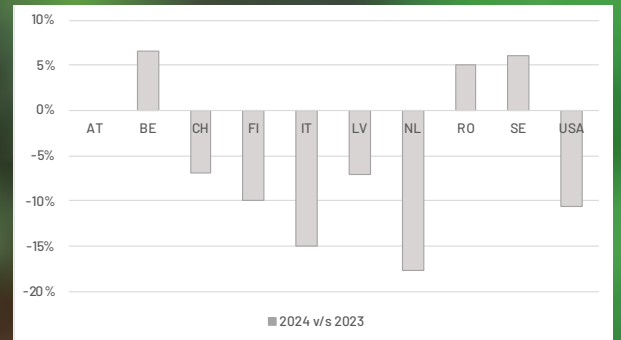


Fig. 11. Price development Chips

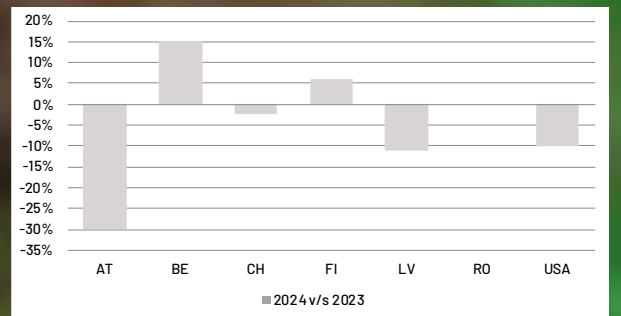
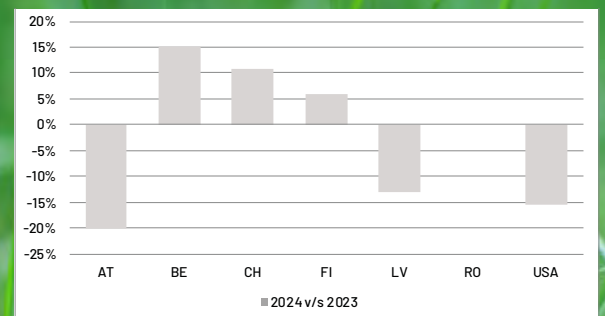
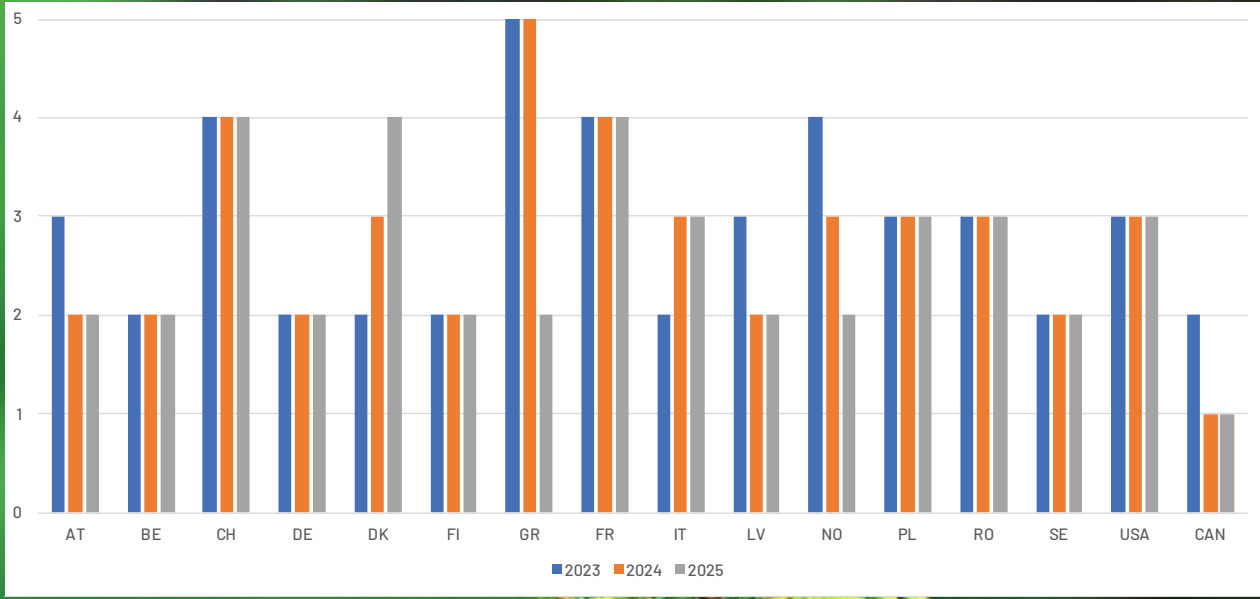


Fig. 12. Price development Sawdust



SOFTWOOD LOGS AVAILABILITY

Softwood Logs Availability



COUNTRY REPORTS

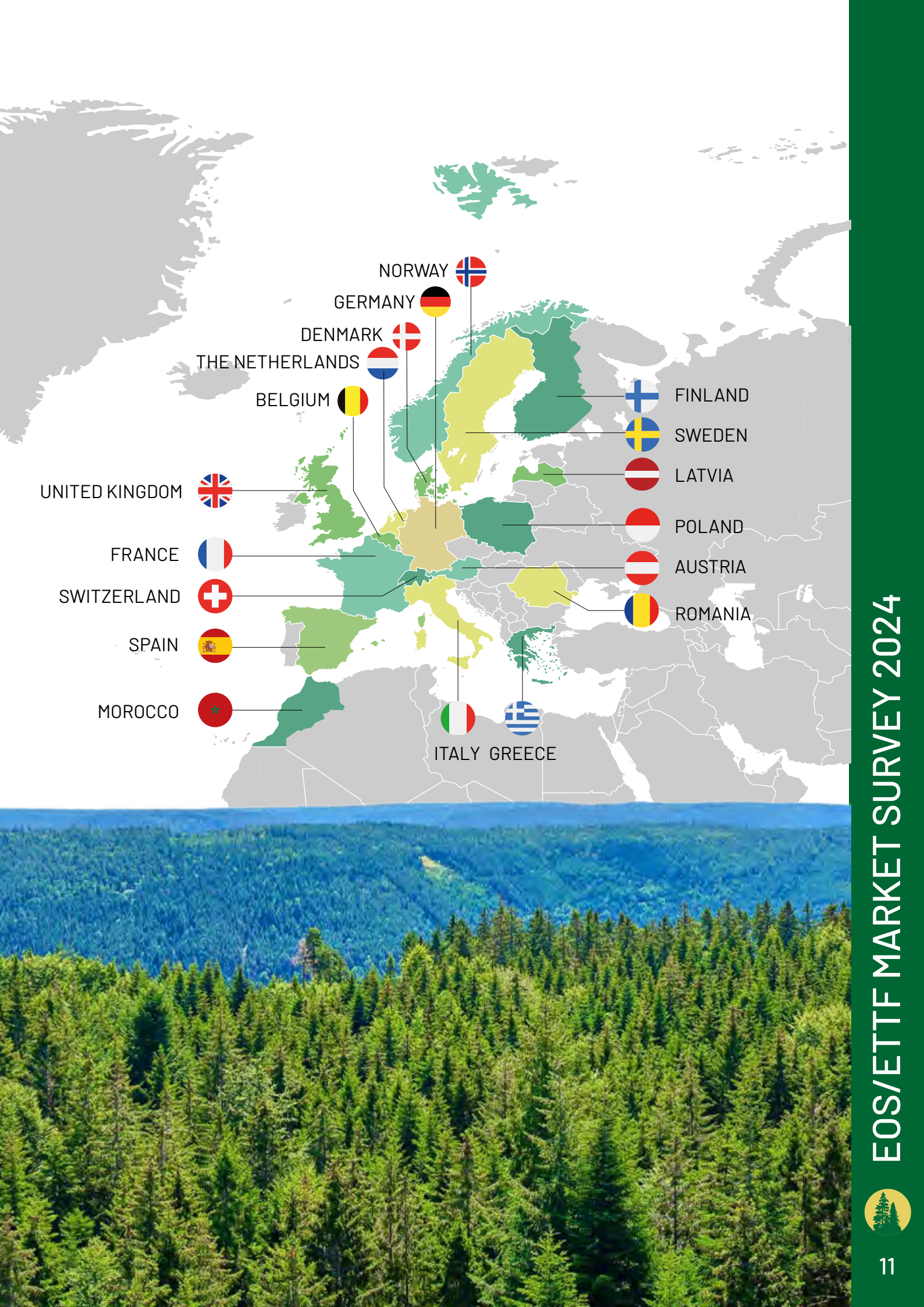


CANADA



USA







AUSTRIA Producer

General economic information				
	Unit	2023	2024	2025
Population (million)	million	9,1	9,2	9,2
GDP Growth (%)	%	-0,8	0,0	1,5
Inflation Rate (%)	%	7,7	3,4	2,5
Unemployment Rate (%)	%	5,1	5,2	5,1
Construction industry				
Building permits (units)	units	34.900	37.200	39.300
Housing starts (units)	units	40.700	34.200	36.300
Housing completions (units)	units	54.300	46.500	39.600
Wage development (%)	% vs previous year	9,7	7,8	tbd spring 2025
Average working time in sawmilling (h/week)	h/week	38,5	38,5	38,5

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	9.125	9.581	9.700
Imports	1.000 m ³	1.366	1.380	1.400
Exports	1.000 m ³	5.383	5.495	5.500
Consumption	1.000 m ³	5.108	5.466	5.600

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	9.752	10.200	10.300
Imports	1.000 m ³	6.388	6.000	6.200
Exports	1.000 m ³	354	300	330
Consumption	1.000 m ³	15.786	15.900	16.170

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	2.703	2.838	2.895
Chips production	1.000 m ³	3.493	3.667	3.741
Bark production	1.000 m ³	1.156	1.213	1.238
Pellets production	1.000 t	2.654	3.031	3.031

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	3	2	2

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	100	0	0

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	0,0%	10,0%
Energy	% vs previous year	0,0%	0,0%
Transport	% vs previous year	0,0%	5,0%

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	0,0%	20,0%
Chips	% vs previous year	-30,0%	0,0%
Sawdust	% vs previous year	-20,0%	0,0%

Source: Fachverband der Holzindustrie Österreichs

Austrian Market Report 2024

Sawmill Industry and Timber Trade

The Austrian sawmill industry has been facing a challenging environment for nearly two years. The construction economy remains weak, and selling prices are stagnating, while costs for raw materials, energy, and personnel have risen significantly. In 2023, the Austrian sawmill industry produced 10% less sawn timber, although a slight increase in production is expected for 2024.

The recession in the construction industry is burdening our members, although the packaging sector is holding up better. Export-oriented companies faced setbacks in 2023, with exports of coniferous sawn timber dropping by 8%. However, 2024 has seen a slight recovery, with an 8% increase in coniferous sawn timber exports up to May. Nonetheless, the increased costs could not be offset, margins are almost non-existent. Positive effects have been seen from major events in Asia and MENA, which required substantial amounts of timber for construction projects.

Active Economic Policy Needed

Despite the weak construction economy, interest in building with wood remains high, and a high degree of prefabrication would simplify construction, but financing costs are too high. Inflation also remains a significant obstacle. A more active economic policy is needed to stimulate housing construction and renovation measures. The sawmill and timber industry must become economically successful again, or else there will be severe damage to the timber value chain and the economic location of Austria. The sector generated a production value of 2.7 billion euros in 2023.





Criticism of the EUDR (EU Deforestation Regulation)

Another major issue is the EU Deforestation Regulation (EUDR), which poses difficulties for the sawmill industry. After more than 12 months, the EU Commission has failed to provide clear implementation guidelines. An extension of the implementation deadline by at least 12 months is needed to give companies time to adjust their systems. The fundamental problem with the EUDR is that, in relation to the bureaucratic burden, it provides no added value.

Green Deal and the Timber Industry

The EU's Green Deal has not had the positive impact on the timber industry that was hoped for. A clear commitment to sustainable forest management is necessary, as well as an adjustment of the Green Deal to ensure that the use of wood is not disproportionately restricted. A reliable and economically viable supply of raw materials must continue to be guaranteed. Forestry and the timber industry can make a significant contribution to climate protection, resource conservation, and the circular economy.

Production of sawn timber (soft and hardwood in million m³)



(production diagram including sawn hardwood production, around 200.000 m³)

Facts about the Sawmill Industry in Austria

The Austrian sawmill industry consists of over 1,000 companies and employs approximately 10,000 people in rural areas. In 2023, the industry generated a production value of 2.7 billion euros. Austrian timber industry companies produce products worth 9.74 billion euros with approximately 27,400 employees and generate a trade surplus of 1.5 billion euros.

Export of sawn softwood Jan-June 2024

DECLARATIONS IN M³	01-06 2024	Diff.	01-06 2023
ITALY	1 352 061	-1,2%	1 368 289
GERMANY	373 819	-5,7%	396 576
REST OF EUROPE	436 844	16,7%	374 359
LEVANTE (MENA)	488 235	22,2%	399 590
ASIA (INCL. JAPAN)	214 385	48,5%	144 387
NORTH AMERICA	65 830	9,2%	60 271
OTHERS	19 831	-18,4%	24 308
TOTAL	2 951 005	6,6%	2 767 780

SOURCE: STATISTIK AUSTRIA





BELGIUM Producer & User

General economic information				
	Unit	2023	2024	2025
Population (million)	million	11,7	11,8	11,8
GDP Growth (%)	%	1,4	1,1	1,3
Inflation Rate (%)	%	4,11	3,2	1,9
Unemployment Rate (%)	%	5,5	5,6	5,7
Construction industry				
Building permits (units)	units	30.950	29.000	30.000
Housing starts (units)	units	n.a.	n.a.	n.a.
Housing completions (units)	units	n.a.	n.a.	n.a.
Wage development (%)				
	% vs previous year	5,1	3,3	2,1
Average working time in sawmilling (h/week)				
	h/week	38	38	38

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	1.350	1.270	1.300
Imports	1.000 m ³	1.100	1.100	1.100
Exports	1.000 m ³	810	900	900
Consumption	1.000 m ³	1.640	1.470	1.500

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	2.800	2.630	2.600
Imports	1.000 m ³	2.500	2.400	2.300
Exports	1.000 m ³	1.500	1.500	1.500
Consumption	1.000 m ³	3.800	3.530	3.400

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	187	176	180
Chips production	1.000 m ³	707	665	681
Bark production	1.000 m ³	106	100	102
Pellets production	1.000 t	900	900	900

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	2	2	2

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	0	-150	0

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	4,0%	10,0%
Energy	% vs previous year	-2,0%	0,0%
Transport	% vs previous year	5,0%	0,0%

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	6,5%	0,0%
Chips	% vs previous year	15,0%	0,0%
Sawdust	% vs previous year	15,0%	0,0%

Source: Belgian Wood Confederation + Fedustria

Belgian Market Report 2024

Belgian Producer

The Belgian timber market is particularly quiet at the moment. Construction activity is currently weak, for reasons that are well known in Europe and around the world.

Despite this, supplies are difficult due to the reduction of wood available on the forest market. There is a great deal of competition for purchases, resulting in log prices that are too high in relation to selling prices.

Demand for by-products and prices remain stable.

Belgian User

The Belgian softwood market is characterized by a number of large stock-holding importers, often old family businesses, who supply the timber trade and large industries. Although Belgium is a small country, there is traditionally a lot of stock.

We must admit, 2024 was not the easiest year in softwood timber business so far...

Lower building activity in Belgium, due to various reasons, has caused a slow softwood market. As a stock-holding importer, we experienced a new phenomenon: we received a lot of orders, which is a good thing, but many of these orders were rather small. This means a lot of work in the yard, and at the end of the day, the final volume sold was not what it should be.

Due to this market situation, competition was quite heavy this year. Not a lot of big orders were playing in the market, and when some bigger business occurred, everyone wanted to take the order... and the cheapest could sell. This made it very hard to follow the price increases requested by the sawmills. Prices are increasing on the purchase side, but on the sales side,





it is difficult to raise the selling price, as low prices are often still circulating in the market.

Overall, for a timber buyer, things have changed a lot since Covid. Back then, we bought timber every day from Scandinavian and other European softwood sawmills.

Nowadays, we are obliged to make our contracts mainly on a quarterly basis and make predictions in sales for the upcoming months, which is difficult. The big price fluctuations from 20 to 60 euro per m³ we have faced in recent years make buyers cautious. No one wants to sell the timber in their yard at loss due to fast-decreasing prices. Just like our customers, we buy in smaller volumes, load by load, the things we need.

The Russian timber has not been missed so far. For

the missing 6-meter lengths, other sawmills have meanwhile profiled themselves as specialists. The ban on Russian timber has, on the other hand, other consequences. Whereas we used to unload a vessel with a few thousand cubic meters almost every month (one invoice and one packing list), we now have to fill the stock with Scandinavian lumber load by load. That means a lot more administration.

We'll see what 2025 will bring us. Who can tell? Having a stock of 120,000 m³, being very active in the market, and maintaining good relations with both customers and suppliers gives us confidence for the upcoming winter and the start of the new year. Because, even if the market is not the easiest we've ever known, we see nice orders passing by every day.

Jeroen Platteau – Vandecasteele Houtimport





CANADA Producer

General economic information				
	Unit	2023	2024	2025
Population (million)	million	40,1	41,1	41,4
GDP Growth (%)	%	1,2	1,1	1,7
Inflation Rate (%)	%	3,9	2,6	2,2
Unemployment Rate (%)	%	5,4	6,4	6,6
Construction industry				
Building permits (units)	units	263.000	267.200	n.a.
	units	241.700	250.000	n.a.
Housing completions (units)	units	n.a.	n.a.	n.a.
Wage development (%)				
	% vs previous year	3,4	4,0	n.a.
Average working time in sawmilling (h/week)				
	h/week	37,1	n.a.	n.a.

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	31.593	32.500	n.a.
Imports	1.000 m ³	603	530	n.a.
Exports	1.000 m ³	20.949	21.580	n.a.
Consumption	1.000 m ³	10.580	12.044	n.a.

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	n.a.	n.a.	n.a.
Imports	1.000 m ³	n.a.	n.a.	n.a.
Exports	1.000 m ³	n.a.	n.a.	n.a.
Consumption	1.000 m ³	n.a.	n.a.	n.a.

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	n.a.	n.a.	n.a.
Chips production	1.000 m ³	n.a.	n.a.	n.a.
Bark production	1.000 m ³	n.a.	n.a.	n.a.
Pellets production	1.000 t	3.400	3.250	3.500

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	2	1	1

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	-2.900	-950	-785

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	n.a.	increasing
Energy	% vs previous year	increasing	increasing
Transport	% vs previous year	n.a.	n.a.

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	stable	increasing
Chips	% vs previous year	n.a.	n.a.
Sawdust	% vs previous year	n.a.	n.a.

Source: Quebec Wood Export Bureau

Canadian Market Report 2024

FR

La demande de construction résidentielle canadienne et américaine s'avère la variable ayant le plus d'influence sur la demande des produits du sciage. À l'échelle continentale, un déficit de plusieurs millions s'est accumulé au fil des dernières années, situation qui devrait pousser les prix du bois à la hausse. Or cette demande est freinée par les politiques des banques centrales visant à contrôler l'inflation.

En cours d'année 2024, la Banque du Canada aura abaissé son taux directeur trois fois avant que la Réserve fédérale américaine ne l'abaisse une première fois. Malgré la forte intégration des économies canadiennes et américaines, le Conseil de l'industrie forestière du Québec (CIFQ) croit que la banque centrale canadienne poursuivra sa politique de relâchement des taux afin de stimuler l'économie nationale.

Ces baisses successives du taux directeur combinées à des initiatives gouvernementales visant à relancer le secteur de la construction et à baisser le coût d'acquisition semblent déjà porter fruit sur le nombre de mises en chantier au Canada. Le CIFQ croit que 2024 fera meilleure figure que 2023 à ce chapitre et que 2025 s'annonce encore meilleure. En définitive les forces soutenant la demande de bois sont favorables à une reprise, mais celle-ci sera progressive.

Du côté de l'offre des produits du bois, la production de bois d'œuvre résineux du Canada présente une tendance à la baisse depuis le milieu de la décennie 2010-2019. Plusieurs facteurs expliquent cette situation. Premièrement, la fin de l'épidémie de dendroctone du pin dans les provinces de l'ouest a considérablement réduit le volume disponible de bois rond. La récolte de la Colombie-Britannique est passée de plus de 70 millions de mètres cubes à moins de 40 millions en 10 ans. Malgré les hausses des prix du bois d'œuvre, la production canadienne demeurerait très stable en 2020-2022 en raison surtout de la rareté de bois rond, liée aux politiques



de gestion durable des forêts, et de la disponibilité de la main-d'œuvre, autant en usine qu'en forêt.

Par ailleurs, les feux historiques de 2023, notamment au Québec, combinés aux efforts gouvernementaux de rencontrer la cible de 30% d'aires protégées pour 2030 ont pour effet de réduire les volumes disponibles dans l'Est du pays. Toutes autres choses égales par ailleurs, l'offre de bois sera moindre qu'au début de la décennie. Le déploiement progressif des stratégies d'utilisation accru du bois dans la construction afin d'en réduire l'impact carbone et de celles sur le bois massif pourrait changer la donne dans les années à venir, dans la mesure où les gouvernements provinciaux revoient à la hausse les sommes consacrées à l'aménagement des forêts publiques.

Malgré la forte intégration des économies canadiennes et américaines, les deux pays entreront, en novembre 2024, dans la huitième année d'un conflit commercial sur le bois d'œuvre. Ce différend commercial apparaît d'autant moins justifié que le périmètre économique Canada/États-Unis ne peut maintenant plus suffire à sa propre demande intérieure en bois d'œuvre résineux. Un apport extérieur, principalement comblé par les pays européens, assure l'équilibre continental de l'offre et de la demande.

Malgré une augmentation prévue de la demande pour le bois d'œuvre en Amérique du Nord, tout indique que la production canadienne se maintiendra, en 2024, sous la barre des 33 millions de mètres cubes, un volume légèrement supérieur, mais semblable à celui de 2023. Nos prévisions portant sur 2024 se basent toutefois sur les sept premiers mois de l'année. Les multiples annonces de fermetures (temporaires et permanentes) et de ralentissement partout au pays nous laissent toutefois anticiper un ralentissement de la production.

Le CIFQ croit que le volume de bois d'œuvre exporté vers les États-Unis en 2024 se maintiendra légèrement au-dessus de 22 millions de mètres cubes. Il s'agit d'un niveau légèrement supérieur à celui de 2023, mais nettement inférieur à la moyenne des 10 dernières années. La combinaison de l'augmentation de la demande domestique découlant de mises en chantier plus robustes et d'une diminution de la production domestique conduira inévitablement à une baisse des exportations, principalement vers les États-Unis.

EN

Demand for lumber products is most influenced by the demand for residential construction in Canada and the United States. On a continental scale, a deficit of several million housing units has accumulated over the past few years, a situation that should push timber prices up. But this demand is being held back by central bank policies aimed at controlling inflation.

By 2024, the Bank of Canada will have cut its key rate three times before the US Federal Reserve cuts it for the first time. Despite the strong integration of the Canadian and American economies, the Quebec Forest Industry Council (QFIC) believes that the Canadian central bank will continue its policy of easing rates in order to stimulate the national economy.

These successive cuts in the key rate, combined with government initiatives aimed at reviving the construction sector and lowering the cost of acquisition,



already seem to be bearing fruit in terms of the number of housing starts in Canada. The QFIC believes that 2024 will be better than 2023 in this respect, and that 2025 will be even better. All in all, the forces underpinning demand for wood are favourable to a recovery, but it will be gradual.

On the supply side, Canadian softwood lumber production has been on a downward trend since the middle of the 2010-2019 decade. There are several reasons for this. Firstly, the end of the pine beetle epidemic in the western provinces has considerably reduced the volume of roundwood available. British Columbia's harvest has fallen from more than 70 million cubic metres to less than 40 million in 10 years. Despite the increases in timber prices, Canadian production remained very stable in 2020-2022, mainly because of the scarcity of roundwood, linked to sustainable forest management policies, and the availability of labour, both in mills and in the forest.

In addition, the historic fires of 2023, particularly in Quebec, combined with government efforts to meet the target of 30% protected areas by 2030, will reduce the volumes available in eastern Canada. All other things being equal, there will be less wood available than at the start of the decade. The gradual deployment of strategies to increase the use of wood in construction in order to reduce its carbon impact, and of strategies for increased mass timber construction, could change the situation in the years to come, as provincial governments increase the amount of money spent on managing public forests.

Despite the close integration of the Canadian and US economies, the two countries will enter the eighth year of a softwood lumber trade dispute in November 2024. This trade dispute seems all the more unjustified given that the Canada/US economic perimeter can no longer meet its own domestic demand for softwood lumber. External supply, mainly from European countries, ensures the continental balance of supply and demand.

Despite an expected increase in demand for softwood lumber in North America, all indications are that Canadian production in 2024 will remain below 33 million cubic metres, a volume only slightly higher than but similar to that of 2023. Our forecasts for 2024 are based on the first seven months of the year. However, the many announcements of closures (temporary and permanent) and slowdowns across the country suggest that production will slow during the end of the year.

The QFIC believes that the volume of lumber exported to the United States in 2024 will remain just above 22 million cubic metres. This is marginally higher than in 2023, but well below the average for the past 10 years. The combination of increased domestic demand resulting from more robust housing starts and a reduction in domestic production will inevitably lead to a fall in exports, mainly to the United States.





DENMARK Producer & User

General economic information				
	Unit	2023	2024	2025
Population (million)	million	5,9	6,0	6,0
GDP Growth (%)	%	1,9	2,6	1,9
Inflation Rate (%)	%	3,3	1,9	2,3
Unemployment Rate (%)	%	2,8	3,3	3,5
Construction industry				
Building permits (units)	units	23.000	23.000	24.000
Housing starts (units)	units	24.700	24.500	24.700
Housing completions (units)	units	38.300	24.500	25.000
Wage development (%)				
	% vs previous year	3,6	3,4	3,0
Average working time in sawmilling (h/week)				
	h/week	37	37	37

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	233	240	250
Imports	1.000 m ³	1.112	1.100	1.150
Exports	1.000 m ³	232	218	220
Consumption	1.000 m ³	1.113	1.122	1.180

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	1.200	1.200	1.200
Imports	1.000 m ³	320	320	350
Exports	1.000 m ³	354	362	370
Consumption	1.000 m ³	1.166	1.158	1.180

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	n.a.	n.a.	n.a.
Chips production	1.000 m ³	n.a.	n.a.	n.a.
Bark production	1.000 m ³	n.a.	n.a.	n.a.
Pellets production	1.000 t	n.a.	n.a.	n.a.

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	2	3	4

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	0	0	0

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	n.a.	n.a.
Energy	% vs previous year	n.a.	n.a.
Transport	% vs previous year	n.a.	n.a.

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	n.a.	n.a.
Chips	% vs previous year	n.a.	n.a.
Sawdust	% vs previous year	n.a.	n.a.

Source Producer: Association of Danish Wood and Furniture Industries
Source User: Danske Byggecentre / Danish Timber Trade Federation

Danish Market Report 2024

Following the global recession and aftermath of the corona crisis, the war in Ukraine, high levels of inflation and rising interest rates the overall Danish economy continues to be robust with a moderately growing GDP.

However, the rising GDP is predominantly driven by the medical industry which is pulling the total economy.

High interest rates have pressured the construction sector in 2023, and this is expected to continue through 2024. Housing investments fell by 10.2% in 2023, and with interest rate cuts in 2024 being smaller than expected, construction activity remains slow. In 2025, interest rate reductions are expected, potentially steering the sector toward a soft landing.

Residential construction is particularly sensitive to interest rate developments, leading to a decline in both new projects and housing investments. In contrast, large infrastructure projects, such as the Fehmarn Belt connection between Denmark and Germany and investments in medical production facilities, are helping to sustain activity;

Imports of sawn softwood have decreased to approx 1.100.000 m³ in 2023, down from the peak year in 2021. In 2024 the same level is anticipated and a slight increase in imports is forecasted for 2025.

The private segment and DIY market has been subdued, but with lower interest rates in sight, we expect a normalization (pre-corona level) in these activities. A number of building projects were stalled during the rise in inflation and interest rates, but they are getting back on track as we are generally seeing a gap in constructing and renovating e.g. schools, institutions as well as homes for students and elderly.

In Denmark there is a strong drive towards the transition to a green economy, also in the construction sector, and there is a growing recognition that wood products can act as tools to mitigate the climate change.





In 2023 CO₂-emission thresholds based on LCA were introduced in the Danish building codes.

In 2025 new, tightened CO₂-emission levels will enter into application in the Danish building codes, which is anticipated to have a positive effect on the use of wood in construction.

The long-term outlook for our sector remains positive, considering the green transition as well as the underlying demand for construction and energy renovation across Europe.

Danish power and district heating systems remain heavily reliant on forest biomass for energy production, which poses challenges to the availability of industrial roundwood for sawmills. The energy market has, however, stabilized following the turbulent period caused by the COVID-19 pandemic and the onset of the war in Ukraine. As a positive outcome, the use of industrial roundwood for energy purposes has declined.

Despite this improvement, the local sawmilling industry remains concerned about the continued high dependence on biomass, which exceeds the European

average and hampers their competitiveness in international markets.

Wood availability is fair but challenged by recent seasons of above-average precipitation which have constrained access to harvest operations and supply of roundwood.

A cross-sectoral agreement between agriculture, industry, and NGOs has laid out a strategy to address climate challenges and limit nitrogen leaching from farmlands by converting up to 250.000 hectares of arable land into forestry by 2045. This land-use transition is expected to gradually increase the availability of forest products. This has also formed an immediate awareness of the wood sector's potential to mitigate climate change.

Ongoing efforts to enhance biodiversity, especially in public forests being converted into unmanaged forests, continue to restrict local wood availability, however mostly affecting the hardwood sector. Additionally, high levels of wood Export to Asia present a significant challenge for the local industry.





FINLAND Producer

General economic information				
	Unit	2023	2024	2025
Population (million)	million	5,6	5,6	5,6
GDP Growth (%)	%	-1,0	-0,4	1,9
Inflation Rate (%)	%	4,3	1,2	1,9
Unemployment Rate (%)	%	7,2	7,6	7,4
Construction industry				
Building permits (units)	units	19.681	15.000	17.000
Housing starts (units)	units	26.064	20.000	20.000
Housing completions (units)	units	40.635	30.000	20.000
Wage development (%)				
	% vs previous year	3,8	3,2	3,0
Average working time in sawmilling (h/week)				
	h/week	37,5	37,5	37,5

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	10.400	10.000	11.000
Imports	1.000 m ³	0	0	0
Exports	1.000 m ³	8.600	8.200	9.000
Consumption	1.000 m ³	1.900	1.800	2.000

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	n.a.	n.a.	n.a.
Imports	1.000 m ³	n.a.	n.a.	n.a.
Exports	1.000 m ³	n.a.	n.a.	n.a.
Consumption	1.000 m ³	n.a.	n.a.	n.a.

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	3.100	3.000	3.300
Chips production	1.000 m ³	6.900	6.600	7.300
Bark production	1.000 m ³	2.900	2.800	3.000
Pellets production	1.000 t	350	350	350

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	2	2	2

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	900	200	200

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	10,0%	-5,0%
Energy	% vs previous year	-15,0%	-15,0%
Transport	% vs previous year	3,2%	3,5%

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	-10,0%	10,0%
Chips	% vs previous year	6,0%	0,0%
Sawdust	% vs previous year	6,0%	0,0%

Source: Finnish Sawmills Association

Finnish Market Report 2024

The Finnish economy contracted by 0.1 % and subsided into recession in 2023. Since the beginning of 2024 there have been some signs of slow recovery but it is estimated that the recession will last until the end of the year and the economy will contract yet by 0,5 %. During the year, employment has weakened and unemployment has increased cyclically. It is believed that employment will improve again and unemployment will decrease in 2025, when the recession begins to ease. Energy and fuel prices fell at the beginning of the year. The prices of domestic fuels such as wood chips continued to rise in the first quarter. After couple of years of high activity on the construction sector the turning point was reached and new building permits were cut almost into the half in 2023 compared to the year 2022. Construction decreased by 11 percent in 2023, clearly more than during the financial crisis. All sectors of construction froze, but the drop in housing production was the most dramatic. The increased interest and cost level, the lameness of the real estate business and the tightening of credit policy hit housing construction in particular. In the beginning of year 2024 the same drastic trend continued and on Q1 the level of building permits dropped for -56 % compared to the previous year. Only 5.5 million cubic meters of construction projects were completed between January and March 2024, 42 percent less than a year earlier. There is no reversal in sight yet and it is estimated that construction will decrease -5 % compared to the year 2023. This has already caused many bankruptcies in the construction sector. Not only the smaller actors but also big companies are in trouble and have hundreds of unsold apartments in their hands.

In the first quarter of the year, the value of Finnish exports of goods and services decreased by 3.4 billion euros (-12%) compared to the corresponding period of the previous year. The modest growth of Finland's





main export markets has weighed on Finland's export prospects. However, world trade has shown signs of a cautious recovery over the course of the year, which is gradually strengthening the growth of Finland's export demand.

Inflation has broadly slowed down in Finland during the beginning of the year, although the increase in value added tax raised consumer prices in early autumn. In 2025, inflation is expected to be around 2 percent. The economic outlook is improving, and economic uncertainty is gradually dissipating. The decrease in interest rates on the financial markets will also provide traction.

According to the Finnish Bank forecast (July/2024), the recession will be over in 2025 and economic growth will strengthen to 1.2 %.

Sawn softwood

Pine and spruce log prices started to rise since summer 2022 and despite the fall of sawn timber prices raw-material price has remained high until the autumn 2024. The availability of logs has been medium low but the loggings have been successful during the year, thanks to the long and cold winter and dry summer.

The sawn timber demand on export markets has been moderate but even if there has been some increase in the prices, the profitability has remained weak. The combination of moderate demand and low market prices and historically high raw-material prices has forced some sawmills to lay-offs. Also there has been a curtailment in production: Finnish sawn timber production is estimated to remain at 10 million cubic meters, down to some 400 000 cubic meters from the previous year.

Domestic consumption will be around 1,8 million cubic meters in year 2024. Finnish construction sector has experienced a harsh downturn and the new housing starts are all time low. Some marks of a slow recovery have been seen in the beginning of autumn due to decrease of interest rates.

In the beginning of the year the sawn timber prices drained to the same level as in year 2019. Harbor strike rose the stock levels on Q1 and even if the availability of trailers and containers was moderate, destocking continued until the Finnish holiday season started in the

end of June. Trade in the second quarter did not meet the expectations of a lively market, but there was still demand for certain products and on certain markets. By September the volume of sawn timber exports was 7,1 million cubic meters and it is estimated to be around 8,2 million cubic meters by the end of the year. Export volumes decreased bit over -5 % from the year 2023 but the weak price development reduced the total value of exports by -10 %. After the Russian war in Ukraine started there hasn't been any sawn timber imports from Russia to Finland or from any other country.

In the first half of the year Egypt maintained its position as the biggest export market for Finnish sawn timber even though there was a some -8 % drop in total volumes (sawn and planed timber altogether). Japan caught up volumes significantly compared to the year 2023 (+29 %) and raised on the second position. Export volumes to China have decreased for -15 %, especially the pine market has struggled and dropped for -36 %. By the end of June China placed fifth on the list. The other TOP10 countries have remained more or less the same as in 2023: UK, Estonia, France, Germany, Saudi-Arabia, Israel and Netherlands. The decline was biggest in France (-22 %), Israel (-25 %) and Saudi-Arabia (-15 %). Algeria fell out from the TOP10 list because export volumes have dropped for -49 %.

On the sawn timber market, autumn has started with increasing inquiries. Prices are still quite low but the production for Q3 was more or less sold in the beginning of September. However, there are estimates that after a small spurt on Q3, the market will cool down back to low levels on Q4.

Because the sawn timber production has decreased there will be a slight decrease in by product production for the year 2024 too. Even though the sawn timber prices have fallen, chip and sawdust prices have raised slightly. That has improved profitability of bioenergy business and supported the sawmill business.

The situation will remain challenging for the sawmills at least until the end of the year. Log prices are expected to remain high but there are cautious expectations that the year 2025 will turn the prices and volumes up again.





FRANCE Producer

General economic information				
	Unit	2023	2024	2025
Population (million)	million	68,1	68,4	68,6
GDP Growth (%)	%	0,9	1,1	1,5
Inflation Rate (%)	%	4,9	2,0	1,8
Unemployment Rate (%)	%	7,3	7,3	7,3
Construction industry				
Building permits (units)	units	373.100	358.200	358.200
Housing starts (units)	units	287.100	250.000	280.000
Housing completions (units)	units	287.000	250.000	280.000
Wage development (%)				
	% vs previous year	7,0	5,0	2,0
Average working time in sawmilling (h/week)				
	h/week	39	39	39

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	6.700	6.400	6.500
Imports	1.000 m ³	2.250	2.000	2.300
Exports	1.000 m ³	750	900	850
Consumption	1.000 m ³	8.200	7.500	7.950

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	13.500	13.000	13.200
Imports	1.000 m ³	750	680	700
Exports	1.000 m ³	950	750	750
Consumption	1.000 m ³	13.300	12.930	13.830

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	n.a.	n.a.	n.a.
Chips production	1.000 m ³	n.a.	n.a.	n.a.
Bark production	1.000 m ³	n.a.	n.a.	n.a.
Pellets production	1.000 t	n.a.	n.a.	n.a.

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	4	4	4

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	n.a.	n.a.	n.a.

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	n.a.	n.a.
Energy	% vs previous year	n.a.	n.a.
Transport	% vs previous year	n.a.	n.a.

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	n.a.	n.a.
Chips	% vs previous year	n.a.	n.a.
Sawdust	% vs previous year	n.a.	n.a.

Source Producer: Fédération Nationale du Bois

French Market Report 2024

FR

Le marché des résineux s'est grippé fin 2022 et les ventes ont continué de chuter au 1er trimestre 2023. Le retournement de conjoncture a été assez brutal. Face à l'euphorie des marchés pendant la période COVID des quantités de bois supérieures à la demande du marché ont été importées et engorgé le marché. Ce déséquilibre entre l'offre et la demande a été accentué par les premiers signaux de crise du secteur du bâtiment et d'effondrement des permis de construire.

La confiance dans le marché s'est progressivement effritée.

Il aura fallu près de 6 mois avant que de nouveaux équilibres soient trouvés.

De janvier à mai 2023 les importations ont ainsi chuté de 25% démontrant la réactivité des acteurs à la nouvelle situation économique en particulier le réajustement des prix.





Ce réajustement ne s'est pas limité à la zone Europe mais fait assez rare est intervenu quasiment sur la même période partout dans le monde.

Les grands pays producteurs ont alors mis en place une diminution assez drastique de la production pour limiter les stocks.

Face à la saturation des marchés les pays européens ont aussi ajusté fortement les importations de pays tiers.

2023 constitue donc une année de rupture après 2 années historiques.

2023/2024 est aussi l'année du bilan de la hausse des charges pour les entreprises.

En 3 ans ce sont près de 30 euros/ m³ scié de charges supplémentaires que les entreprises ont subi : salaires, investissements, énergie, assurances, fiscalité écologique, baisse du prix des connexes.... Sans que le prix des grumes ne baisse vraiment.

Ce nouvel équilibre comptable, dans un marché globalement moins porteur affecte fortement la rentabilité des scieries résineuses.

Il n'est pas juste de comparer les prix de 2019 (avant COVID) avec ceux de 2022 sans tenir compte de l'in-

flation des charges des entreprises qui avoisinent 15% du prix des sciages.

L'heure est aussi venue de payer la période du « quoi qu'il en coûte ».

Il est aussi à noter que pendant la période COVID des investissements considérables ont été entrepris par les scieries dans le monde et particulièrement en Europe. La France ne déroge pas à ce phénomène avec une augmentation des capacités de sciage et de transformation de l'ordre de 15%.

Traditionnellement peu exportateurs, les principaux scieurs français ont entrepris un gros travail commercial pour élargir leurs ventes et maintenir autant que possible les volumes nécessaires au financement de leurs investissements.

Globalement l'année 2023 est donc « moins pire que prévue » en termes de volumes mais difficile coté rentabilité.

La météo est ensuite venue compliquer la situation de l'approvisionnement en grumes des entreprises. Début 2024, 25% des scieries n'avaient pas de stock suffisant pour travailler.

Cela a occasionné des tensions artificielles sur les





prix des matières premières.

Salutaire pour la bonne santé des forêts, la pluviométrie reste un point de questionnement dans plusieurs pays .

Globalement début 2024 les volumes d'activité tiennent mais les marges continuent de s'effriter.

Et la crise du logement du logement n'est toujours pas résorbée même si les experts pensent que le point bas est passé.

Dans ce contexte le bois tire plutôt bien son épingle du jeu et ses parts de marché continuent de progresser en construction neuve comme en rénovation.

C'est probablement le point le plus important pour l'avenir si les autorités communautaires et nationales ne continuent pas à entraver la gestion forestière et plus globalement la vie des entreprises européennes par des réglementations de plus en plus indigestes.

EN

The French softwood market got stuck at the end of 2022 and sales continued to fall in the 1st quarter of 2023.

The economic downturn was quite brutal.

Faced with the euphoria of the markets during the COVID period, quantities of timber in excess of market demand were imported, clogging up the market.

This imbalance between supply and demand was exacerbated by the first signs of crisis in the construction sector and the collapse in building permits.

Confidence in the market gradually waned.

It took almost 6 months before a new equilibrium was found.

Between January and May 2023, imports fell by 25%, demonstrating the responsiveness of players to the new economic situation, and in particular the readjustment of prices.

This readjustment was not confined to the European zone, but took place over virtually the same period throughout the world.

The major producing countries then implemented a fairly drastic reduction in production to limit stocks.

Faced with saturated markets, European countries also sharply adjusted their imports from third countries.

2023 is therefore a watershed year after 2 historic years. 2023/2024 is also the year in which we take stock of the rise in costs for businesses.



In 3 years, companies have had to bear almost €30 per m³ sawn in additional costs: salaries, investments, energy, insurance, environmental taxes, lower prices for byproducts... Without any real fall in the price of logs.

This new accounting reality, in an overall less buoyant market, has a major impact on the profitability of softwood sawmills.

It is unfair to compare prices in 2019 (before COVID) with those in 2022, without taking account of inflation in business costs, which account for around 15% of the price of sawn timber.

The time has also come to end the 'whatever it takes' period.

It should also be noted that during the COVID period, considerable investments were made by sawmills around the world, particularly in Europe.

France is no exception to this phenomenon, with an increase in sawing and processing capacity of around 15%.

Traditionally low exporters, France's main sawmills have undertaken a major marketing drive to develop their sales and maintain, as far as possible, the volumes needed to finance their investments.

Overall, 2023 should therefore be 'less bad than expected' in terms of volumes, but difficult in terms of profitability.

The weather then complicated the log supply situation for companies. At the beginning of 2024, 25% of sawmills did not have enough stock to work with.

This caused artificial pressure on raw material prices.

Rainfall remains a question mark in a number of countries as moderate rain is beneficial for the health of forests.

Overall, at the start of 2024, business volumes are holding up, but margins are continuing to erode.

And the housing crisis is still not over, even though experts believe that the low point has passed.

Against this backdrop, wood is doing rather well, and its market share continues to grow in both new construction and renovation.

This is probably the most important point for the future, if the EU and national authorities do not continue to hamper forest management and, more generally, the life of European businesses with increasingly indigestible regulations.





GERMANY Producer

General economic information				
	Unit	2023	2024	2025
Population (million)	million	84,7	increasing	increasing
GDP Growth (%)	%	-0,3	0,0	0,9
Inflation Rate (%)	%	5,9	2,2	2,0
Unemployment Rate (%)	%	5,7	6	5,8
Construction industry				
Building permits (units)	units	354.500	declining	declining
Housing starts (units)	units	n.a.	n.a.	n.a.
Housing completions (units)	units	295.300	250.000	205.000
Wage development (%)				
	% vs previous year	5,8	increasing	increasing
Average working time in sawmilling (h/week)				
	h/week	40	40	40

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	22.944	22.250	22.700
Imports	1.000 m ³	3.072	2.760	2.600
Exports	1.000 m ³	9.957	9.360	9.800
Consumption	1.000 m ³	16.059	15.650	15.500

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	36.325	34.500	34.300
Imports	1.000 m ³	2.240	1.950	1.900
Exports	1.000 m ³	5.656	4.500	3.600
Consumption	1.000 m ³	32.909	31.950	32.600

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	4.774	4.629	4.723
Chips production	1.000 m ³	10.144	9.836	10.036
Bark production	1.000 m ³	n.a.	n.a.	n.a.
Pellets production	1.000 t	3.710	3.800	increasing

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	2	2	2

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	stable	stable	stable

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", "increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	declining	stable
Energy	% vs previous year	declining	stable
Transport	% vs previous year	increasing	increasing

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", "increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	declining	increasing
Chips	% vs previous year	declining	stable
Sawdust	% vs previous year	declining	stable

Source Producer: DeSH Deutsche Säge- und Holzindustrie Bundesverband e.V.
Source User: GD Holz

Germany Market Report 2024

Business Situation

By the end of 2022, the business climate in the wood industry had already lagged behind the upward trend in the commercial economy. The temporary positive impulses from the overall economy had little impact on individual industry sectors. By mid-year, the sawmill and wood industry, similar to the wood-based panel industry and other wood product manufacturers, experienced a general decline in their business climate index, which continued to trend negatively throughout the first half of 2023. This was primarily influenced by decreasing foreign sales and challenging conditions in domestic markets. Output from January to May was significantly lower than the previous year, which had started with a substantial expansion in production. Domestic demand had already been under pressure since mid-2022, as the construction industry, the key customer for lumber, was in crisis. Not only in Germany but also across Europe and the U.S., rising interest rates led to a decrease in construction activity, which in turn caused a decline in demand for all types of construction lumber. Additionally, no positive impulses came from the packaging industry throughout the year. The overall weak dynamic of German exports also reduced the demand for lumber, resulting in a negative business climate starting in January. The dynamic market development of previous years came to an end with the consolidation of lumber prices.

By mid-year, production was again closer to the previous year's level, and the business climate improved steadily in the following months. Against the backdrop of the record year 2022 and the declining lumber prices up to November 2023, companies re-

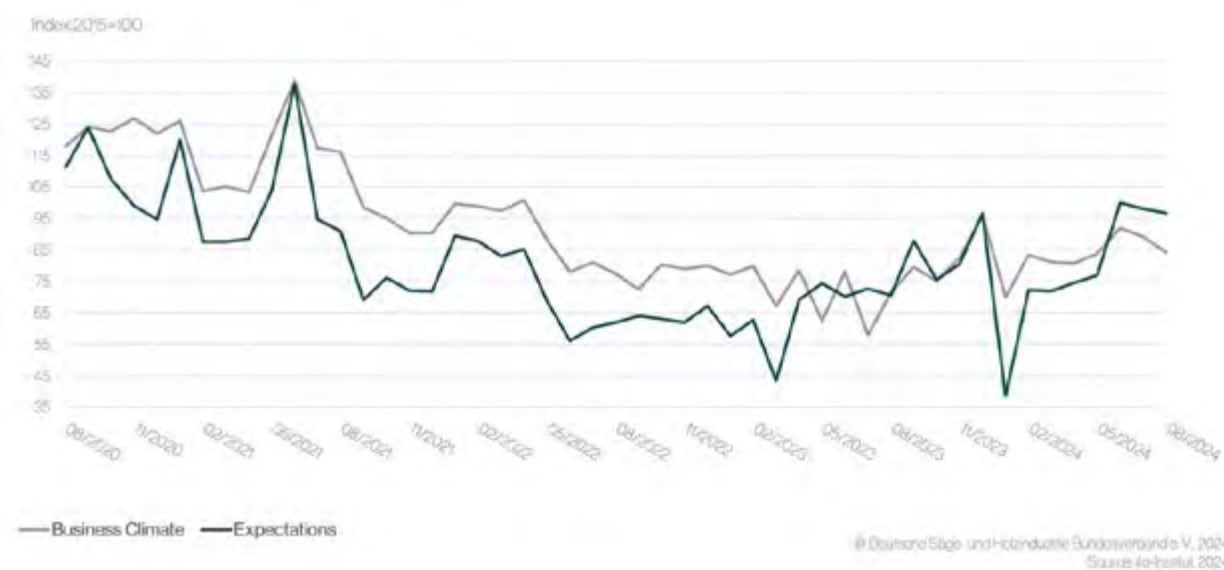




ported a significant drop in revenues. Nevertheless, the industry achieved its third-highest annual sales in 2023. Despite falling demand in the lumber markets, important revenue opportunities arose again from the sale of by-products from sawing, even though rising production and raw material costs reduced profit margins. Prices for wood chips decreased only slightly compared to the record levels of the previous

year. However, sales of wood pellets in the consumer market were significantly weaker than the year before, partly due to mild winter weather. Since January 2024, production in the sawmill and wood industry has been volatile. With moderately rising lumber prices, the business climate has also been improving since March. From July on there has been a slight downturn again.

ifo Business Climate Index for Softwood Lumber Current Business Climate & Expectations



The construction sector, the packaging industry, and exports, the most important customer sectors for companies processing softwood, were under significant pressure in the previous year. A highly volatile business climate reflected ongoing uncertainty. The first half of the year was especially marked by strong fluctuations, mainly due to an unstable market development domestically and internationally.

After exports fell significantly behind the previous year from February onward, and no positive impulses came from the domestic market, there were noticeable production cutbacks, particularly in the first three quarters. As a result, softwood lumber production decreased in 2023 but remained at a high level. Due to the base effect of record exports in 2022, exports fell significantly. Like the domestic markets, demand for lumber in general and construction timber, in particular, was subdued abroad, given global demand patterns

and the monetary policies in Europe and the U.S. Despite this, the ifo expectations of softwood processing companies showed a positive trend throughout the year, aligning with the optimistic outlook of the broader economy. The business climate and expectations remained on par with the previous year in the first quarter, with a positive trend reflecting stabilizing production and rising lumber prices.

The softwood processing sawmill and wood industry in Germany has experienced very positive economic development over the past few years. Significant increases in production were not only a response to the dynamic availability of raw materials due to calamities in German forests but also a consequence of a strong international market position. Record revenues enabled investments in expanding capacity and efficiency as well as in new product lines. While global





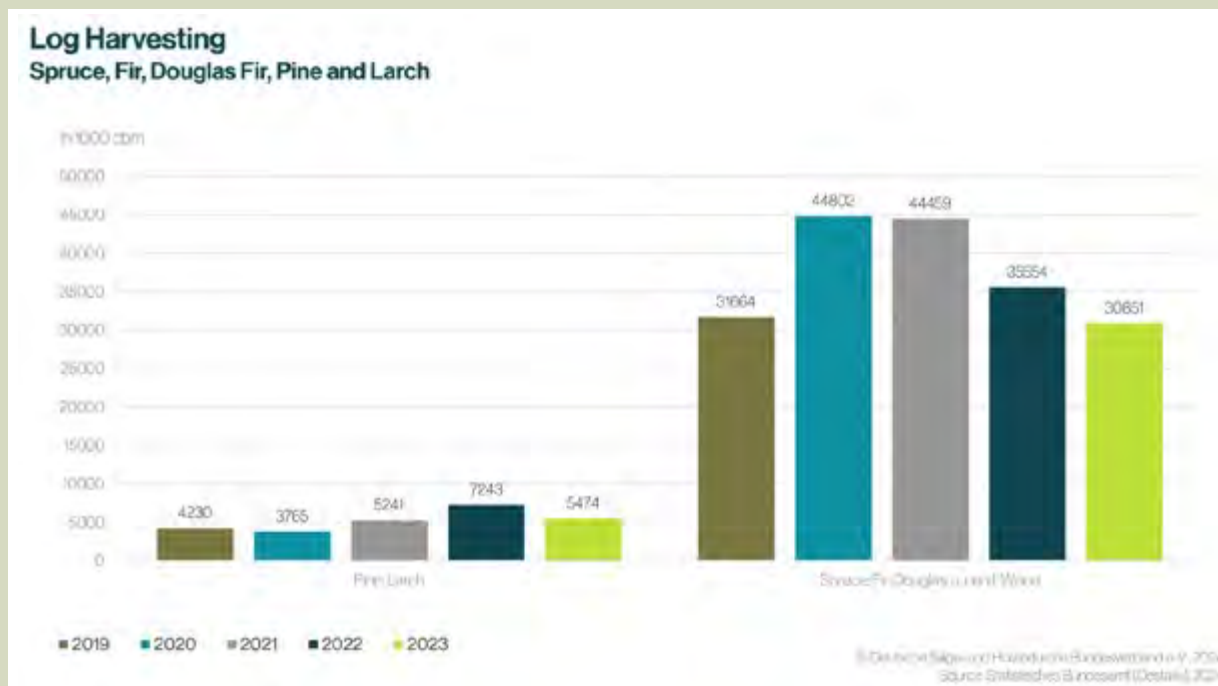
demand for sawn timber is increasing, the expansion of worldwide distribution channels with diversified target and product markets has laid the foundation for long-term growth.

2. Raw material

2.1 Supply

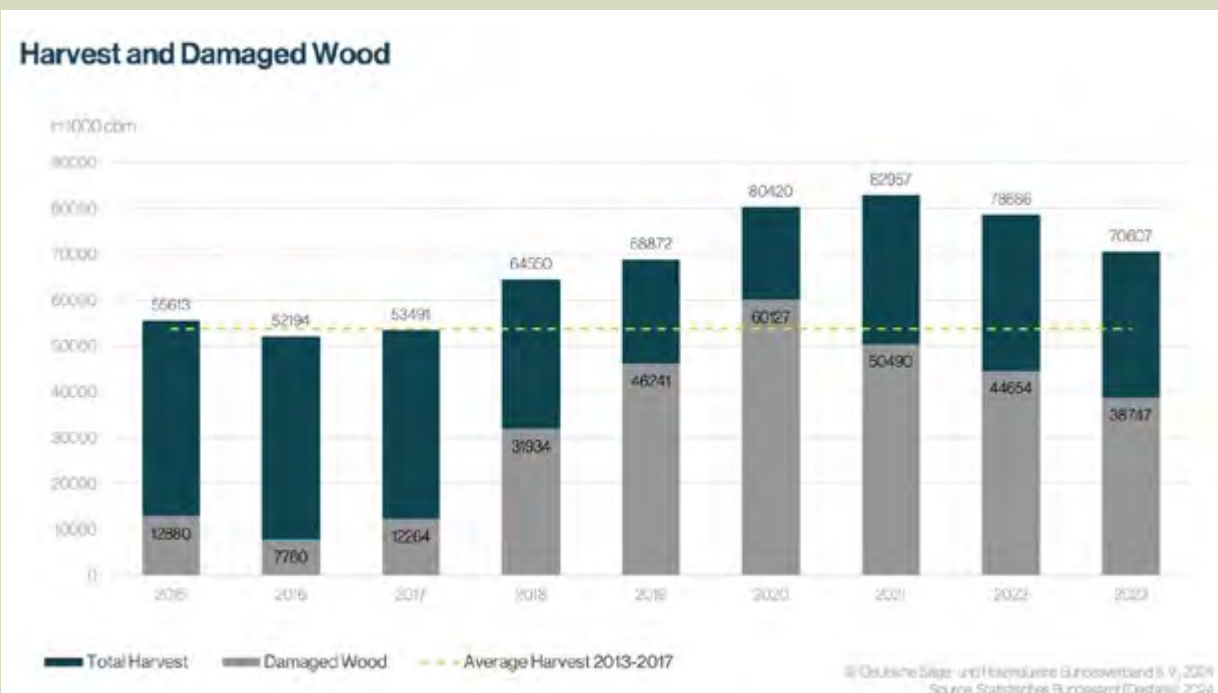
Due to prolonged drought and insect infestations, severe damage events have occurred in German forests since 2018, primarily affecting softwood stands. As a result, timber harvesting increased significantly, reaching a record high of 83 million cubic meters in 2021. The German sawmill and wood

industry responded flexibly to this challenging situation, managing to process a large portion of the high softwood log supply of varying qualities domestically and market it both nationally and internationally. Since 2022, timber harvesting has been declining but remained significantly above the long-term average of approximately 54 million cubic meters, with 70.6 million cubic meters harvested in 2023. This was largely due to the still high proportion of damaged wood, which, at 38.7 million cubic meters, accounted for around 55 percent of the total harvest. Cumulatively, about 272 million cubic meters of damaged wood have accumulated since 2018, 92.5 percent of which was softwood.



In response, companies have increased their log processing by an average of 15 percent since 2018. In 2023, the harvesting of softwood logs decreased disproportionately by 15.1 percent. Despite the high

proportion of damaged wood, an adequate supply of high-quality fresh wood was ensured, meeting the quality requirements for construction products and export assortments.





The use of spruce, the most important wood species group, has significantly increased due to the calamities. Before 2018, pine and larch accounted for an average of over 20 percent of the softwood log harvest, but this share temporarily dropped to below 8 percent. As the amount of damaged wood decreases, the distribution of wood species is also normalizing. In 2023, around 85 percent of the harvested wood comprised spruce, fir, Douglas fir, and other softwoods.

In the coming years, a decrease in damage dynamics in German forests is expected. However, the harvest is unlikely to return to its long-term average. The transformation of forests into climate-stable mixed forests and ongoing climatic changes will keep the supply of softwood elevated in the medium term. The calamities of recent years, due to regional damage hotspots, will likely bring structural changes to the industry, increasing the importance of other softwoods alongside spruce. Diversifying supply and sales markets, such as sourcing raw materials from outside the region and investing in further processing, can be strategies to independently expand production in the future. The industry aims to focus on concentrating raw materials and value creation through sufficient processing capacities within the country.

2.2 Costs

After the prices for softwood logs plummeted due to an oversupply during the initial years of the calamities, with spruce prices temporarily dropping below 60 index points (2015=100), a trend reversal

became apparent at the turn of 2020/2021. Over the following two years, prices continuously increased, with spruce log prices in 2022 being about 27 percent higher than the previous year and nearly two-thirds higher than in 2020.

Over the past year, despite further increases, there was a brief downturn, resulting in spruce log prices remaining relatively unchanged year-over-year. Currently, the index is trending upward and is around 100 index points, which means that, despite the high volumes of damaged wood, prices are back to pre-calamity levels.

2.3 Foreign trade

In response to the high volumes of damaged wood starting in 2018, the forestry and wood trade sectors increased the export of softwood logs. By 2019, the exported volume of softwood logs surged by 96 percent. The following year saw an additional increase of 83 percent, with exports exceeding 10 million cubic meters. Despite declines in the two preceding years, the amount of softwood logs exported in 2023 remained high at 5.6 million cubic meters. The export ratio has not changed compared to 2022 and is more than twice as high as in the years before 2018, standing at 15.5 percent.

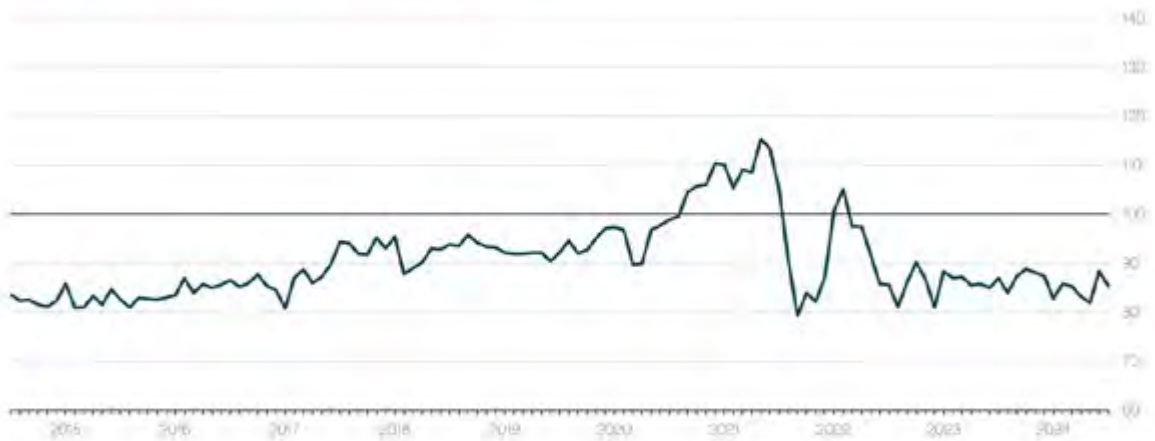
China continued to be the most important buyer of softwood logs, as in previous years, accounting for almost half of the exported volume. Other significant buyers included Austria, Poland, the Czech Republic, and Lithuania.





Production for the Manufacturing Industry Sawmills, Planing Mills and Wood Impregnation Plants

Index 2021 = 100, calendar and seasonally adjusted (X13, Demetra)



© Deutsche Statistik und Wirtschaftsinformation V. 2024
Source: Statistisches Bundesamt (Destatis), 2024

3. Production

The production of softwood lumber increased significantly between 2015 and 2021. After two record years, the volume produced in 2022 declined for the first time in six years. This trend continued into the last year. At the beginning of the year, production lagged behind the dynamic start of the previous year. The strongest decline occurred in the second quarter of 2023, followed by additional reductions in the third and fourth quarters, which were less pronounced due to the base effect of the decreasing production from the previous year.

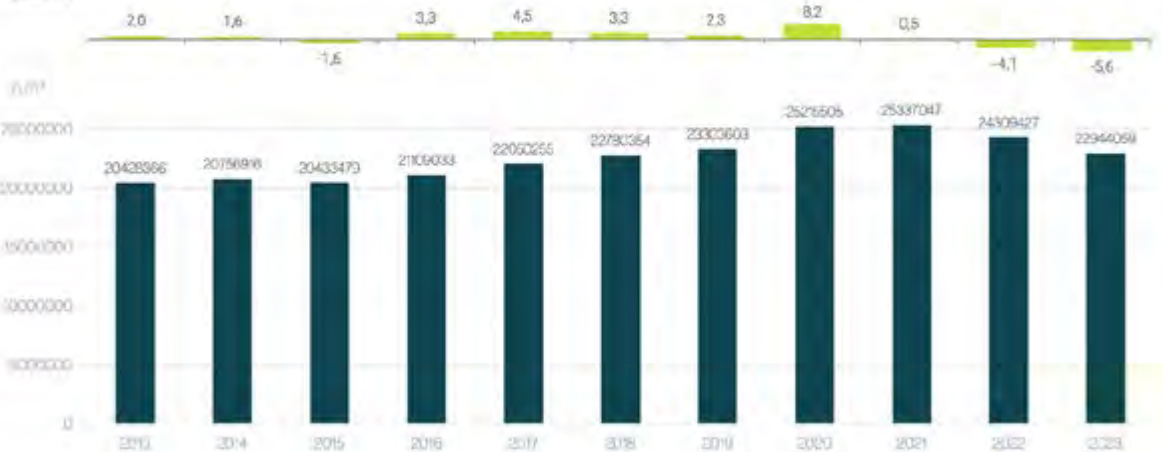
With a total production of 22.9 million cubic meters and a decrease of 5.6 percent compared to the pre-

vious year, softwood lumber production remained at a high level. The volume of planed goods dropped disproportionately by 8.6 percent to 4.8 million cubic meters. Although its share of the total production is declining, it remains high in the long-term trend. While it was 17.8 percent in 2017, it stood at 20.8 percent in 2023. Rough lumber saw a decrease of 4.8 percent, reaching 18.2 million cubic meters in 2023.

For the early months of 2024, a weaker output is again anticipated. Production in the first quarter was 6.9 percent below the previous year's level. However, a slow consolidation is expected for the second quarter. In April, the production index surpassed the previous year's level by 10.3 percent.

Softwood Lumber Production Years and Changes

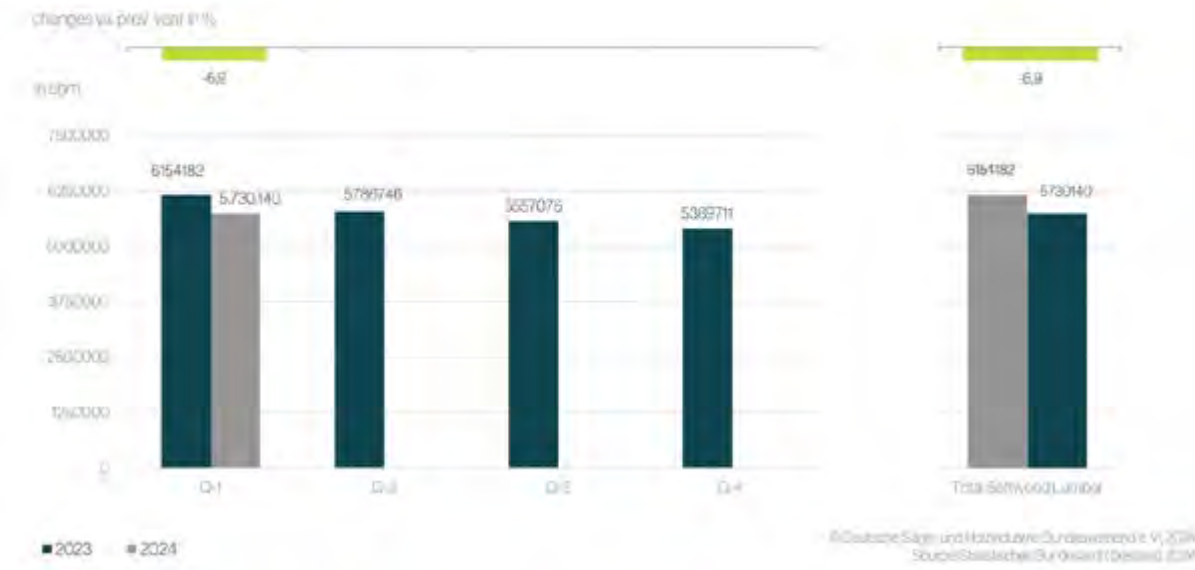
Change vs. prev. year (%)



© Deutsche Statistik und Wirtschaftsinformation V. 2024
Source: Statistisches Bundesamt (Destatis), 2024



Softwood Lumber Production Quarters and Changes



In addition to existing product ranges such as traditional construction timber, battens, and structural timber, laminated products are becoming increasingly important for modern timber construction. Companies are now suppliers of raw laminates and board products or have included glued laminated timber (glulam), laminated veneer lumber (LVL), and cross-laminated timber (CLT) in their product offerings.

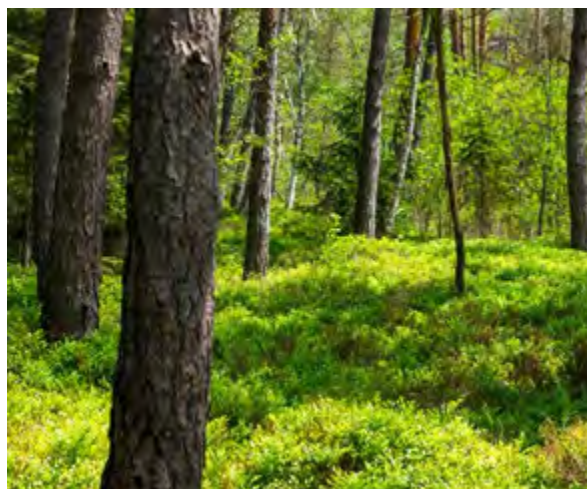
After a market slowdown in the previous two years led to an overall reduction in production, output in 2023 saw a slight increase of 1.3 percent. While production of cross-laminated timber has significantly risen in recent years, being about 31 percent higher than the 2019 level in 2023, the production of glued laminated timber has slightly decreased over the years.

High investment activity and the expansion of additional processing capacities enabled the high production volumes of recent years. Given the ongoing calamities and forest transformation, the German sawmill and wood industry must continue to ensure the intake of large volumes of raw materials and realize value creation domestically in response to rising international demand for softwood lumber. Investments in further processing also offer additional potential to support the growth of modern timber construction through innovative solutions.

4 Sales

With just under 10 million cubic meters in 2023, exports decreased by 11.4 percent compared to the previous year. Despite this significant drop, the exported volume remains at a very high level. In 2022, exports reached a record high of 11 million cubic meters. They not only allowed for the increased absorption of high log volumes during the calamities but also offset greater production fluctuations due to volatile domestic sales markets.

In 2023, foreign sales remained of central importance. However, the export ratio decreased to 43.4 percent, marking the first decline in eight years. Nevertheless, the exported volume was more than 15 percent above the 2018 level. The U.S. market, despite significant volume losses, continued to be the largest single buyer of German softwood lumber in 2023. Despite a 15.7 percent decrease, the U.S. imported 2.5 million cubic meters last year, still above the 2021 level.

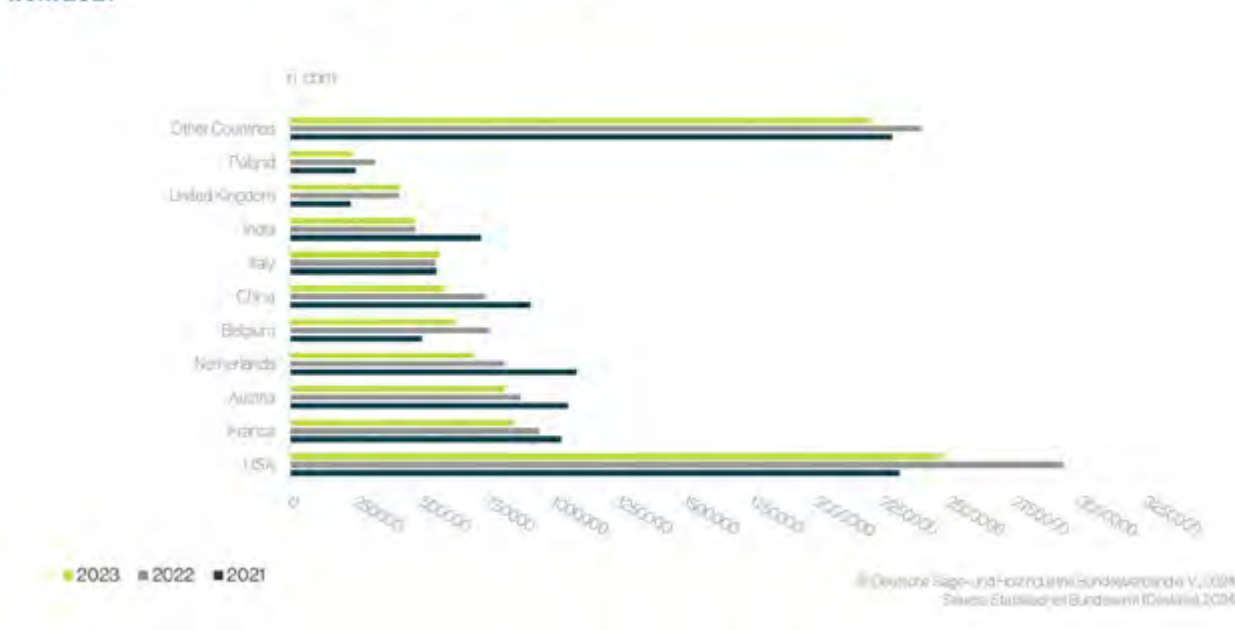


In addition to the U.S., China and India are key destinations for exports. Although China significantly reduced its intake of softwood lumber due to the ongoing real estate crisis and increasing imports from Russia, exports to India remained almost unchanged. Overall, European countries, with about half of the total exports, remain the most important buyers outside of Germany, led by France, Austria, and the Netherlands. The export of rough lumber decreased disproportionately last year, reducing its share of total exports to 60.2 percent.





Export of Softwood Lumber - Top 10 - 2023 from 2021



Planned wood continues to gain importance in foreign sales, with its share having increased from 30 percent in 2018. In the first quarter of 2024, exports continued to decline compared to the same period

last year, although with reduced momentum. Until June there is a minus of 6.1 percent in foreign sales of softwood lumber.

Export of Softwood Lumber

Country	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Change in % 2023/2022
USA	1216501	1854634	2313364	2936580	2475098	-15,7
France	972410	1003605	1031680	945550	850155	-10,1
Austria	909708	890632	1055875	874577	812141	-7,1
Netherlands	931823	962192	1087445	813704	698566	-14,1
Belgium	770524	907270	501152	758645	625933	-17,5
China	732775	828527	912508	740947	590535	-20,3
Italy	498931	459972	559102	554810	570552	2,8
India	524330	666663	727615	475880	474156	-0,4
United Kingdom	354865	282342	231758	411935	417448	1,3
Poland	194571	213402	248277	325251	238018	-26,8
Other Countries	2129581	1959544	2285337	2398391	2204126	-8,1
Total	9.236.018	10.028.783	10.954.113	11.236.270	9.956.728	-11,4

Domestic sales have been declining for the second consecutive year due to weak economic conditions. The lower exports were offset by a significant reduction in imports, which supported production. Imports were reduced by around 1.2 million cubic meters, a decrease of 27.9 percent. Since 2021, the import of softwood lumber has halved.

As a result, the net consumption of softwood lumber in Germany decreased by 7.4 percent compared to the previous year. The ongoing lack of recovery in the construction sector has not only reduced order backlogs and incoming orders in the building sector but also decreased the demand for wood con-

struction products. Additionally, the recession in Germany and weak global demand have significantly impacted production in the wooden packaging industry. With 16 million cubic meters, domestic sales reached a long-term low.

While the export, construction, and packaging industries are facing pressure, the German sawmill and wood industry remains resilient, demonstrating its ability to withstand the challenging global market conditions. Although a recovery in new construction is not expected in the short term, an increase in investments in renovation activities is anticipated this year, potentially leading to new demand impul-





Export of Softwood Lumber

in EUR

Country	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Change in % 2023/2022
USA	1216501	1854634	2313364	2936580	2475098	-15,7
France	972410	1003605	1031680	945550	850155	-10,1
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Source: Eurostat, 2023. All rights reserved. For more information, visit <https://ec.europa.eu/eurostat>.

ses from the domestic construction sector.

Moreover, an increase in exports is likely to be accompanied by a recovery in the packaging sector within the overall economy. Global demand for softwood lumber remains exceptionally high. A shift in European and American monetary policy could contribute to a revitalization of softwood lumber exports.

Despite the current situation, the woodworking and timber construction industries have established a strong position in the construction sector over the past years. Timber construction offers extensive opportunities for implementing sustainable and climate-friendly projects quickly and reducing emissions in the construction sector over the long term. This has been recognized by policymakers as well. Numerous funding programs are aimed at increasing the use of this renewable resource.

The proportion of residential buildings constructed using timber construction has steadily increased, and the share of timber construction reached 22 percent in 2023, despite an overall decrease in permit numbers. More than one in five residential buildings is now constructed using timber methods. Timber construction is gaining significance, particularly for building renovations, including conversion, extensions, and densification projects. Adjustments to building regulations now permit the use of timber in multi-story buildings, allowing cities to construct residential buildings with five to seven stories using solid wood or timber hybrid construction methods.

5. Prices

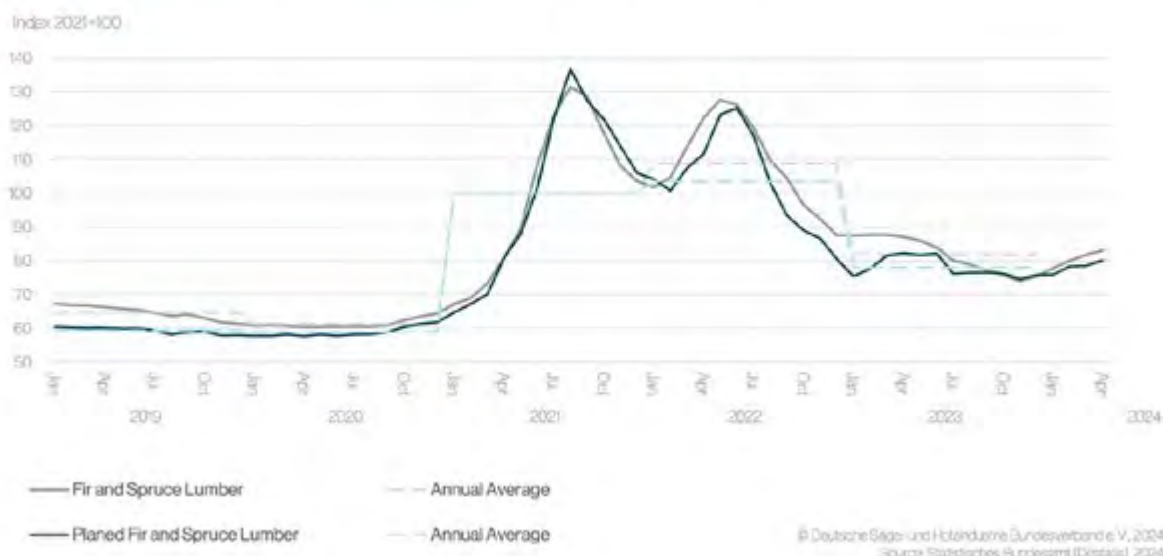
At the end of 2020, driven by demand dynamics in national and international markets, there was pronounced volatility in softwood lumber prices. After significant increases in 2021, prices experienced a sharp decline that stabilized at the beginning of the following year. A buoyant construction market and economic growth led to a renewed upswing in the first quarter of 2022, but this momentum could not be sustained due to the onset of the war and global economic disruptions. From then on, softwood lumber prices came under pressure.

Although the producer price index still showed a noticeable increase in 2022, a continuing downward trend in 2023 resulted in falling prices. All product categories saw double-digit percentage declines. Overall, the prices for rough and planed lumber decreased by about 25 percent compared to the record levels of the previous year. With stable roundwood prices, profitability came under pressure. However, the price index for softwood lumber, at 80.8 points, remained 30 percent above the 2020 level. Since November 2023, prices have been steadily increasing across all product categories. Until June, prices are on average 2.9 percent below the same period last year. But in July, the producer price index for softwood lumber exceeded last year's figure by 6.8 percent. Since 2015, the prices for steel and cement have more than doubled compared to construction timber. In light of the significantly increased construction prices in recent years and considering the producer price trends of other construction-related products, the price development of softwood lumber remains moderate despite the exceptional market conditions since 2020, thereby gaining competitiveness in cost comparisons.





Producer Price Index for Softwood Lumber Monthly & Annually



6. Sawmill Residues

While the production of sawmill residues depends on lumber production, their prices, as a separate market segment in material and energy use, remain independent. From March 2022 onwards, the onset of the energy crisis led to a surge in demand for all types of energy wood products. This benefited wood chips and pellets as well. After reaching record highs in 2022, the momentum slowed in the past year as energy prices fell. Wood pellets, in particular, saw significant price corrections in consumer markets as an energy product, with the index dropping by 18.9 percent compared to the previous year. The prices for unprocessed by-products from sawmills declined only moderately over the course of the year, with a decrease of 3.9 percent. Given the weak economic conditions in lumber markets, the revenues from sawmill residues helped stabilize the profitability of companies. The marketing and further processing of wood chips, sawdust, and planing shavings have developed into an important business sector and a value-added extension of the production range for the sawmill and wood industries in recent years.

7. International Markets

For many years, the German sawmill and wood industry has held a leading position in Europe in terms of sawn timber production, export, and consumption, and plays a significant role in the international arena. Continuous investments, a diverse range of products and target markets, and high and sustainable raw material availability will continue to ensure a very strong market position in the medium term. The latest international data from the Food and Agriculture Organization of the United Nations (FAO) for 2022 highlight this leading position in the global comparison.

7.1 Production

In 2022, global production of softwood lumber was estimated at around 340 million cubic meters. Of this, approximately one-third was produced in Europe and one-third in North America, with CIS countries accounting for 13 percent. Within Europe, Germany has held the top position for many years, followed by Sweden, Finland, and Austria. With 24.3 million cubic meters produced in 2022, Germany's share of global production was 7.1 percent. This makes Germany the world's fifth-largest producer of softwood lumber, following the USA, Canada, Russia, and China.

7.2 Foreign trade

Although Germany has the highest domestic consumption of softwood lumber in Europe, it has also become one of the leading European exporters of softwood lumber. With an export volume of over 10 million cubic meters in 2022, Germany ranked second in Europe, behind Sweden and ahead of Finland. Globally, Russia remains the most significant exporter, with nearly 30 million cubic meters, despite uncertain data.

At the same time, Germany imports a substantial amount of softwood lumber. Despite a significant decline of nearly 30 percent, Germany is still the third-largest importer in Europe, following the United Kingdom and Italy.

7.3 Consumption

Germany also holds significant market importance as a consumer of softwood lumber. With nearly one-fifth of the total consumption volume, it is by far the leading consumer in Europe and, alongside countries like the USA and Canada, occupies a prominent position globally.





1. National Economy

1.1 Overall Economic Situation

- The German economy is stuck in crisis. Both cyclical and structural factors are having a negative impact. After a decline of 0.3% last year, the price-adjusted gross domestic product will probably only stagnate this year. A gradual recovery is likely to set in over the next two years, with economic output increasing by 0.9% and 1.5% respectively. The growth forecast has thus been significantly lowered by 0.4 percentage points for the current year and by 0.6 percentage points for 2025 compared to the ifo Economic Forecast Summer 2024. Contrary to expectations, the industrial and consumer economies are only very slowly freeing themselves from their rigidity.
- There has been no revival in economic output for more than two years. A slight increase in one quarter is usually followed by a similarly sharp decline in the following quarter. Economic output contracted by 0.1% in the second quarter of 2024, for example, after growing by 0.2% at the start of the year.
- The crisis is first and foremost a structural crisis. Decarbonisation, digitalisation, demographic change, the coronavirus pandemic, the energy price shock and China's changing role in the global economy are putting established business models under pressure and forcing companies to adapt their production structures. On the one hand, the potential labour force is developing less favourably and the population is ageing faster. Secondly, structural change is affecting the manufacturing industry in particular, which accounts for a significantly larger share of economic output in Germany. Energy-intensive industries, which are reacting to high energy costs, as well as mechanical engineering and the automotive industry, which are facing increasing competition from China in addition to restructuring in connection

with decarbonisation and digitalisation, are more important than in other countries.

- There are many indications that the structural adjustment processes are not yet complete. The long-term effects on production opportunities and thus on production potential will probably only be able to be assessed in retrospect in a few years' time.
- However, the crisis is also an economic crisis. Utilisation of existing production capacities in the economy as a whole has been falling for more than two years and underutilisation has recently increased noticeably once again. According to the ifo Business Survey, companies in all sectors of the economy are complaining of persistently weak demand. In the construction and manufacturing sectors, the order backlogs of recent years have melted away and a turnaround in new orders is still a long time coming. The consumer-related sectors are hardly benefiting from the strong increases in real wages and the associated gains in purchasing power. Rather, private households are holding back on spending and are setting aside an increasing proportion of their income increases as savings.

Prognosis

- The leading indicators currently available do not point to an economic turnaround in the third quarter of 2024. The ifo business climate deteriorated for the third time in a row in August and the order situation is still considered to be poor in all sectors of the economy. A gradual recovery is not expected until next year.
- Nevertheless, incoming orders in the construction and manufacturing sectors have not fallen any further recently. The export business is being supported by global economic development, which is likely to maintain its current momentum with growth of between 0.5 and 0.6% per quarter in the forecast period. However, the poor competitive





situation is likely to continue to weigh on export-oriented companies in the manufacturing sector. It is true that lower energy costs have improved the situation somewhat over the past twelve months. Nevertheless, German companies assess their competitive situation in both European and non-European markets as significantly worse than companies in other European countries.

- In the coming year, construction activity will be driven primarily by public construction. Residential construction is likely to stagnate for the time being, as newly constructed residential property has hardly become more affordable. While interest rates on loans have once again fallen significantly since July, the price of newly constructed residential property has only risen slightly so far. Only when real incomes rise will the economy pick up again in terms of residential construction. As wages will rise much faster than prices over the remainder of the forecast period, purchasing power will continue to return. This should also lead to a recovery in consumer spending.
- The weak economy will slow down the increase in employment and initially cause unemployment to rise further. The unemployment rate will average 6.0% this year, 0.3 percentage points higher than in 2023. In the two following years, the rate is likely to fall again to 5.8% and 5.3% respectively as the gradual recovery and the continued pronounced labour shortage continue.
- The inflation rate will continue to fall, from an average of 5.9% last year to 2.2% this year and 2.0% and 1.9% respectively in the next two years. Energy in particular will be cheaper for consumers in the coming months than in the previous year. The energy component is therefore likely to dampen price rises into the coming year.¹

1.2 Building Sector (general)

- After 27 months of uninterrupted decline – including the last 22 months with double-digit declines we have now returned to the approval level of February 2012. Worse still, a trend reversal is not in sight. The housing shortage will overshadow the upcoming federal election campaign. These are the words of Tim-Oliver Müller, Managing Director of the Federation of the German Construction Industry, commenting on the approval figures for July published today by the Federal Statistical Office. With a total of 17,000 dwellings (new builds and conversions), the figure was 19 per cent down on the same month last year. For the first seven months of the year, this represents a decline of 32,500 flats or 21 per cent. The level of March 2022 was even undercut by 50 per cent.
- The decline applies to all building categories. ‘Whether detached or semi-detached houses, apartment blocks, residential homes, flats in non-residential buildings or conversions of existing buildings – the only difference is the extent of the decline. This means that neither the home ownership aspirations of many people nor sufficient supply for families in urban areas and their surrounding areas can be realised,’ Müller continues. In the pincer grip of high interest rates and high construction costs, residential construction is falling by the wayside. The increase in approvals of more than ten years has been squandered in just 27 months. It is recognised that politicians – especially at federal level – have now reacted and programmes such as climate-friendly new builds – including in the low-price segment since mid-2024, young buys old, commercial to residential, a higher straight-line depreciation allowance and a special depreciation allowance, the temporary suspension of the Efficiency House 40 as a mandatory standard and a small interest subsidy programme for particularly energy-efficient measures have been implemented. So far, however, this has only slowed down the crash and the sector is looking forward to the housing summit in Hamburg at the beginning of December.²

¹ <https://www.ifo.de/fakten/2024-09-05/ifo-konjunkturprognose-herbst-2024-deutsche-wirtschaft-steckt-in-krise-fest>

² <https://www.bauindustrie.de/media/pressemitteilungen-edition> from 18.09.2024





1.3 Residential buildings

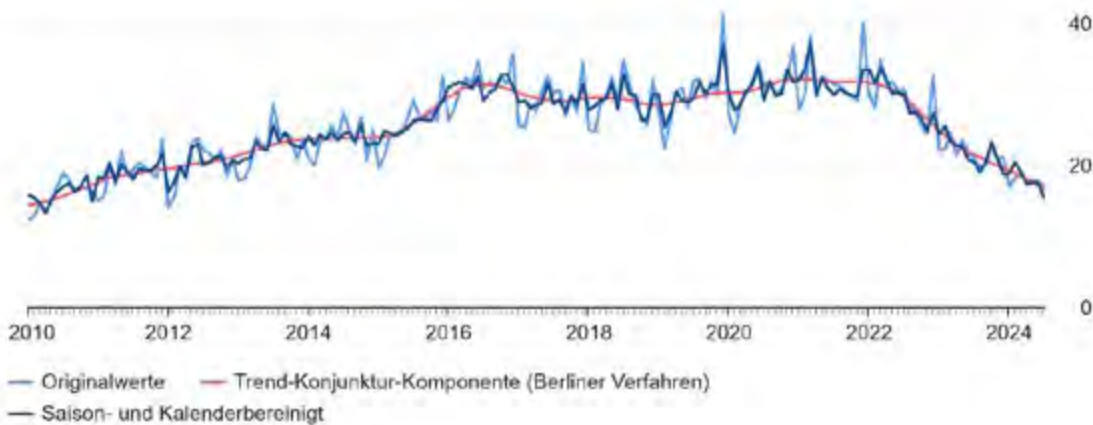
- Housing in Germany is in short supply - the housing shortage has been particularly acute in major cities for several years and threatens to worsen. The German government's target of building 400,000 new homes per year has not been achieved in recent years; in 2023, only around 250,000 new homes were built, which is just over half of the government's target. In the previous year, the figure was even lower. The main reason for this development is the rise in

construction prices over the past few years, which is primarily due to the current economic situation with increased energy prices, inflation, supply bottlenecks and expensive building materials. Accordingly, building permits for new residential buildings fell to their lowest level in the last 30 years. In 2023, only just under half as many single-family homes were built as two years ago.³

1.4 Commercial Construction

Graph 1: Construction sector overview, dwellings

Monatlich genehmigte Wohnungen
Wohn- und Nichtwohngebäude, in Tausend



© Statistisches Bundesamt (Destatis), 2024

- Stabilisation in commercial construction

The economic situation is currently slowing down the construction of production facilities or offices. 'Many companies have focussed on their liquidity and profitability in the difficult economic environment and have postponed new investments in construction projects,' explains Volkmar Schott, Partner at EY-Parthenon.

The first signs of easing inflation and interest rates and the associated construction and financing costs suggest that demand and the propensity to invest are gradually returning. Overall, EY-Parthenon expects commercial construction to stabilise in 2025 following a further decline in the current year. Commercial construction is likely to increase slightly again for the first time in 2026.⁴

1.5 Public Construction

- Trend reversal in public construction

EY-Parthenon also does not expect to see a turnaround in public construction until 2026. Although public construction has also suffered from the price increases of recent years, it has declined less sharply than commercial or residential construction. Construction projects continued to be

realised both in new construction and in maintenance and renovation. There is still demand in the public sector. However, the rise in construction costs meant that the defined budgets were often exceeded. The necessary budget and project adjustments took time, which delayed originally planned construction projects.⁵

2. Market situation in the timber trade

2.1 National Timber Trade

- The difficult economic environment combined with a very weak construction sector led to an overall decline in sales of 15% in the German timber trade in 2023. However, this decline in sales is also partly due to a further fall in prices. The annual analysis of the monthly GD Holz company comparison clearly shows that the weak sales markets had a full impact on the industry's sales development last year. All important product ranges in the timber trade were affected by this decline in sales, with sawn timber suffering the greatest drop in sales of 24% and construction elements (interior doors) the least with a drop in sales of just over 5%. Only the services sector was able to increase by 9%. Retail and wholesale are equally affected

³ <https://de.statista.com/themen/375/wohnungsbau/#topicOverview>

⁴ <https://www.baulinks.de/webplugin/2024/1013.php4>

⁵ <https://www.baulinks.de/webplugin/2024/1013.php4>





by the downward trend in 2023. The main reason for this is the generally weak demand in the construction sector, in particular the far too low level of construction completions; sales to end consumers are also very unsatisfactory. To make matters worse for the industry, many costs have risen sharply due to inflation, as well as the drastic increase in lorry tolls and the CO2 tax. The participants in the monthly company comparison do not expect any radical changes in the coming months. The major

ity of participants even expect a further decline in sales, while around 1/3 expect sales to remain the same. The market environment for the timber trade is therefore expected to remain very difficult in 2024 - at least for the first half of the year. GD Holz, like other construction-related trade associations, has been calling for months for politicians to stimulate the construction industry in order to provide new impetus for growth.

Table 1: softwood logs and timber imports [1.000m³]

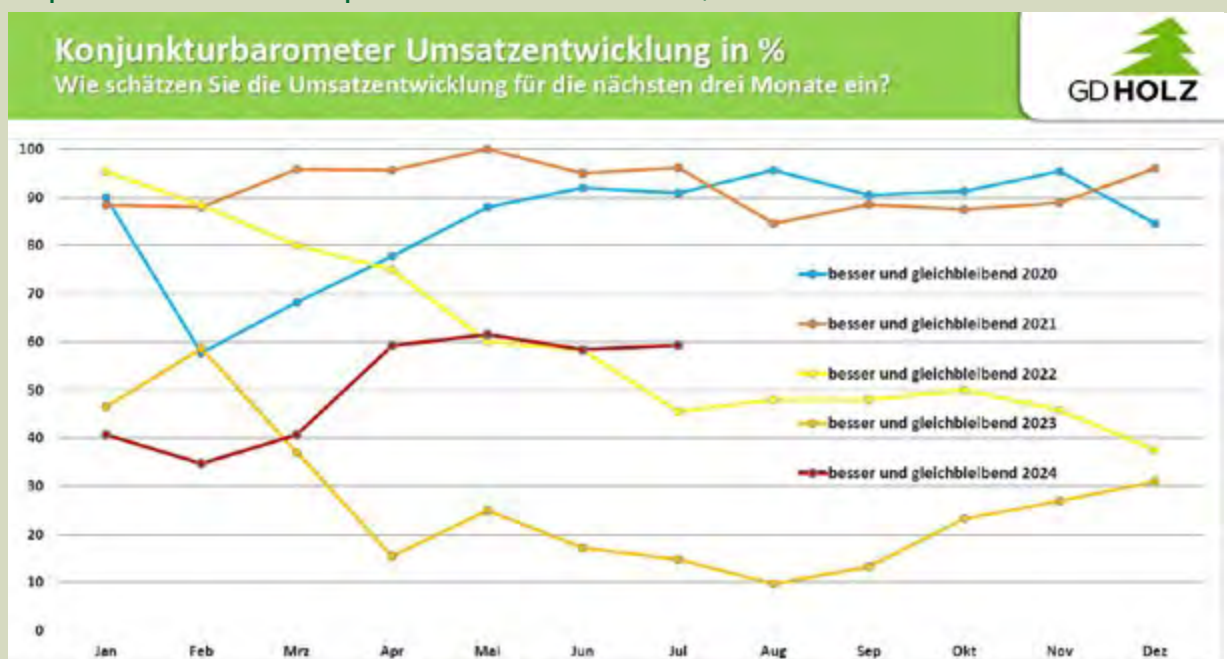
	2020	2021	2022	2023
Softwood logs	5.691	5.865	5.210	4.143
Softwood timber	4.432	4.635	3.193	2.254
Softwood timber, processed	1.016	1.167	1.121	817

Table 3: softwood logs and timber exports [1.000m³]

	2020	2021	2022	2023
Softwood logs	12.015	10.899	9.442	7.620
Softwood timber	6.178	6.700	6.535	5.712
Softwood timber, processed	3.388	4.253	4.700	4.244

All underlying HS codes for the abovementioned numbers can be found in the GD Holz foreign trade annual statistics brochure.

Graph 2: GD Holz Turnover expectations in the Timber Trade, m-o-m



It can be seen that in July 2024, only 60% of the companies surveyed assessed their economic expectations for the next three months as better and unchanged. In the previous year, this figure was even worse, at only around 15%. In this respect, economic expectations have brightened slightly, although they are still well below the expectations of 2020 and 2021 (over 90% with the expectation 'better and unchanged' in both years).



2.2 Foreign Timber Trade – Import Export of sawn softwood Jan-June 2024



Graph 3: Softwood Logs, supplier countries to Germany in m³

Entwicklung wichtigste Lieferländer 2023* im Vergleich zu 2022, Mengen in m³



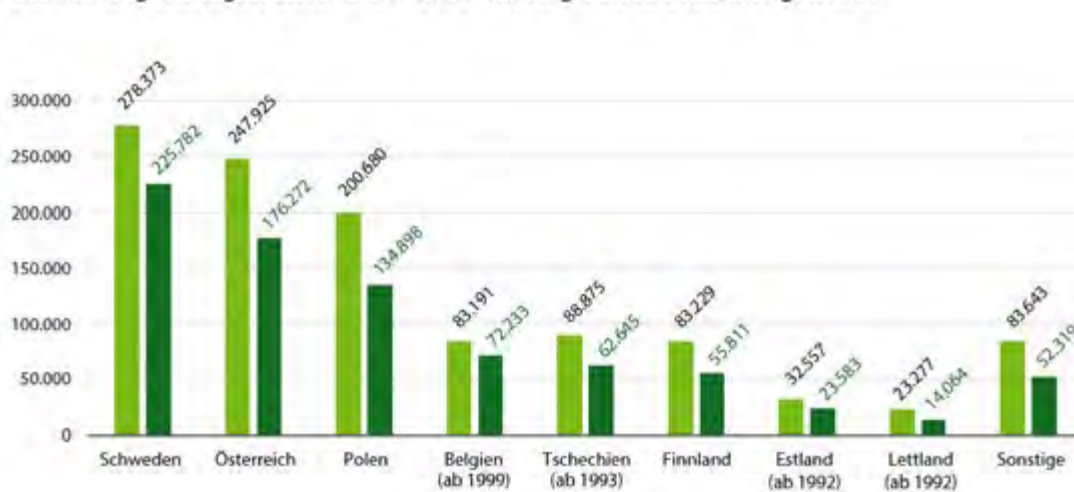
Graph 4: Softwood timber, unprocessed, supplier countries to Germany in m³

Entwicklung wichtigste Lieferländer 2023* im Vergleich zu 2022, Mengen in m³



Graph 5: Softwood timber, processed, supplier countries to Germany in m³

Entwicklung wichtigste Lieferländer 2023* im Vergleich zu 2022, Mengen in m³





2.3 Foreign Timber Trade - Export

Graph 6: Softwood logs, destination country from Germany in m³



Graph 7: Softwood timber, unprocessed, destination country from Germany in m³



Graph 8: Softwood timber, processed, destination country from Germany in m³



All graphs displayed in this chapter reflect numbers collected in the GD Holz annual foreign trade statistics brochure, for which numbers are based on the federal trade database.





3. Furniture Industry

Industry expects slight seasonal upturn in furniture demand in autumn / Forecast for 2024 as a whole: sales down 7 to 9 percent. The German furniture industry felt the effects of consumers' reluctance to spend in the first half of 2024 but is counting on a slight seasonal upturn in demand for furniture in the coming months. The first cautious indicators point to a brightening consumer climate in the year to date. In addition, the business climate in the furniture industry measured by the Ifo Institute improved slightly in August. The fact that many German citizens are reporting rising real wages in view of the levelling off of the inflation rate and wage and salary increases also gives cause for optimism. In addition, people traditionally focus more on furnishing their own homes in autumn. However, the hoped-for recovery will probably not be strong enough to compensate for the drop in sales recorded in the first half of the year. A decline in sales of 7 to 9 per cent is expected for 2024.

According to official statistics, turnover in the German furniture industry fell by 9.7 per cent to 8.3 billion euros in the first half of this year. On the home furniture market, the 417 companies (with more than 50 employees) with a total of 71,841 employees turned over around 5.6 billion euros, 9.1 per cent less than in the same period last year. Foreign sales declined even more sharply, falling by 10.9 per cent to 2.7 billion euros. The export ratio was around one third.⁶

4. Windows and doors

Windows and doors Economic forecast 2024 Window market: minus 6.1 per cent Exterior door market: minus 5.1 per cent. The window market in Germany fell by 8.9 per cent in 2023 and is expected to decline significantly by a further 6.4 per cent in 2024. Sales in window units (FE = 1.3 x 1.3 m) will therefore fall from 15.52 million FE in 2022 to 14.13 million FE in 2023 and 13.23 million FE in 2024. Based on the previous survey model, the forecast takes into account the current effects of inflation, interest rate trends and the overall political framework conditions in regulatory and subsidy law, particularly following the Federal Constitutional Court's decision on the federal budget. There will also be a decline of 8.9 per cent in the exterior door market in 2023, which will decrease to a minus of 5.1 per cent in 2024. In both the window and exterior door markets, however, there will be significant shifts in market share from new residential construction to refurbishment overall in 2023. Forecasts for 2024 in both market segments assume that new residential construction will collapse by a cumulative total of more than 35 per cent in 2023 and 2024.⁷

5. Wood Packaging

- The economic recession in Germany had a noticeable impact on production in the wooden packaging industry in 2023. Turnover and sales fell in key product categories, in some cases significantly. According to the Federal Statistical Office, the production of pallets in Germany fell by 15.8 per cent to 97.89 million wooden pallets last year compared to 2022. In terms of value, the production of pallets fell by 36.7 per cent to €1.07 billion. The downward trend in export packaging was somewhat less pronounced. The production of crates made of wood and wood-based materials fell by 9.3% year-on-year to 1.59 million cubic metres in 2023. The production value in this segment fell by 5.3 per cent to €548.6 million € within a year. The production of wooden cable drums also decreased, by 14.0 per cent to 208.886 qm. The picture is even clearer for foreign trade in pallets. German pallet exports fell by 18.1 per cent to 28.4 million units in 2023, and by 32.4 per cent in terms of value. Pallet imports fell by 33.4 per cent to 52.1 million units, and by 48.7 per cent in terms of value. This results in a total pallet market in Germany of 121.5 million units.

The wooden packaging industry is also suffering from weaker foreign trade, as the demand for high-quality, reliable wooden packaging is tending to fall as foreign trade declines. At the same time, the industry is well prepared for changing market trends and an upturn in demand in Germany. A broad stabilisation at the current level is expected until autumn. A slight recovery could begin from autumn 2024.⁸

6. Pellets / Wood Energy

At 949,000 tonnes (t) of wood pellets, the production volume of German plants in the second quarter of 2024 was slightly below the previous year's figure (965,000 t). Overall, a good 30,000 tonnes more were produced in the first half of the year than in the same period in 2023. Although the supply of roundwood declined in the first half of the year due to less calamity wood and the forestry industry's reluctance to cut it, pellet production remains stable.

- At 99.3 per cent, the highest quality class A1 continues to dominate the German pellet market in the second quarter. At 89.5 per cent, sawmill by-products are the main raw material. Compared to the first quarter (20.1 per cent), the proportion of bagged goods has increased significantly to 25.2 per cent, as usual. At 17.4 per cent, the export share is higher than in the previous quarter.⁹

7. Miscellaneous

Currently there are few topics other than EUDR.

⁶ <https://www.moebelindustrie.de/presse/4377/deutsche-moebelindustrie-setzt-im-ersten-halbjahr-knapp-10-prozent-weniger-um.html>

⁷ <https://window.de/pressemitteilungen/wirtschaftsprognose-2024-fenstermarkt-minus-61-prozent-aussentuereenmarkt-minus-51-prozent/>

⁸ <https://www.hpe.de/holzverpackungen-umsatz-und-absatz-in-kernbereichen-deutlich-gesunken-ausblick-verhalten-optimistisch>

⁹ <https://depv.de/p/Stabile-Pelletproduktion-im-2-Quartal-cZ3DHidDepCKYZaauFZXJXZ>





GREECE User

General economic information				
	Unit	2023	2024	2025
Population (million)	million	10,3	10,3	10,3
GDP Growth (%)	%	2,2	2,0	2,0
Inflation Rate (%)	%	4,5	3,0	2,2
Unemployment Rate (%)	%	11,3	10,5	10,0
Construction industry				
Building permits (units)	units	15.000	14.500	13.000
Housing starts (units)	units	11.000	10.000	9.000
Housing completions (units)	units	10.000	10.500	11.000
Wage development (%)				
	% vs previous year	4,0	3,5	3,0
Average working time in sawmilling (h/week)				
	h/week	40	40	40

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	200	210	215
Imports	1.000 m ³	350	360	360
Exports	1.000 m ³	50	55	60
Consumption	1.000 m ³	500	510	520

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	n.a.	n.a.	n.a.
Imports	1.000 m ³	n.a.	n.a.	n.a.
Exports	1.000 m ³	n.a.	n.a.	n.a.
Consumption	1.000 m ³	n.a.	n.a.	n.a.

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	n.a.	n.a.	n.a.
Chips production	1.000 m ³	n.a.	n.a.	n.a.
Bark production	1.000 m ³	n.a.	n.a.	n.a.
Pellets production	1.000 t	n.a.	n.a.	n.a.

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	5	5	2

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	n.a.	n.a.	n.a.

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	n.a.	n.a.
Energy	% vs previous year	increasing	increasing
Transport	% vs previous year	increasing	increasing

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	increasing	stable
Chips	% vs previous year	increasing	stable
Sawdust	% vs previous year	increasing	stable

Source: Alphatimber





General economic information				
	Unit	2023	2024	2025
Population (million)	million	59,00	58,99	58,96
GDP Growth (%)	%	0,9	1,0	1,1
Inflation Rate (%)	%	5,9	1,7	2,0
Unemployment Rate (%)	%	7,5	7,1	7,0
Construction industry				
Building permits (units)	units	55.500	n.a.	n.a.
Housing starts (units)	units	n.a.	n.a.	n.a.
Housing completions (units)	units	n.a.	n.a.	n.a.
Wage development (%)				
	% vs previous year	1,9	2,4	2,4
Average working time in sawmilling (h/week)				
	h/week	n.a.	n.a.	n.a.

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	n.a.	n.a.	n.a.
Imports	1.000 m ³	4.088	4.031	n.a.
Exports	1.000 m ³	330	430	n.a.
Consumption	1.000 m ³	n.a.	n.a.	n.a.

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	n.a.	n.a.	n.a.
Imports	1.000 m ³	446	362	n.a.
Exports	1.000 m ³	226	271	n.a.
Consumption	1.000 m ³	n.a.	n.a.	n.a.

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	n.a.	n.a.	n.a.
Chips production	1.000 m ³	n.a.	n.a.	n.a.
Bark production	1.000 m ³	n.a.	n.a.	n.a.
Pellets production	1.000 t	n.a.	n.a.	n.a.

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	2	3	3

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	n.a.	n.a.	n.a.

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	n.a.	decreasing
Energy	% vs previous year	10,0%	stable
Transport	% vs previous year	5,0%	stable

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	-15,0%	decreasing
Chips	% vs previous year	n.a.	n.a.
Sawdust	% vs previous year	n.a.	n.a.

Source: Fedecomlegno

Italian Market Report 2024

Italian Economy

According to Istat,¹ "in 2023 the Italian economy grew by 0.9%, decelerating compared to 2022 (+4.0%). Growth was mainly driven by domestic demand, while net foreign demand made a slightly positive contribution. Concerning the supply of goods and services, added value grew in construction and in many service branches, while contracting in agriculture and in mining, manufacturing and other industrial activities. Growth in productive activity was accompanied by an expansion in labor input and income."

Expectations for the two-year period 2024-25, formulated by the National Institute of Statistics in June 2024, predict the growth of Italian GDP both in 2024 (+1.0%) and in 2025 (+1.1%)²: "In 2024 the increase in GDP would be sustained by the contribution of both domestic demand net of inventories and net foreign demand (+0.7 percentage points for both), with the contribution of inventories still negative (-0.4 p.p.). In 2025, the growth of the Italian economy would instead be driven mainly by domestic demand (+0.9 p.p.)".

However, it should be borne in mind that "the forecast scenario remains characterized by a high level of uncertainty in the international framework,, determined by the evolution of geo-political tensions".

The construction sector and the residential market

General trend in construction

For 2023, Ance (National Association of Building Constructors) has estimated investments in Construction in Italy at just under 221 million euro, an

¹ ISTAT, GDP and AP debt Years 2021-2023, March 2024

² ISTAT, Italy's Economic Outlook in 2024-2025, June 2024





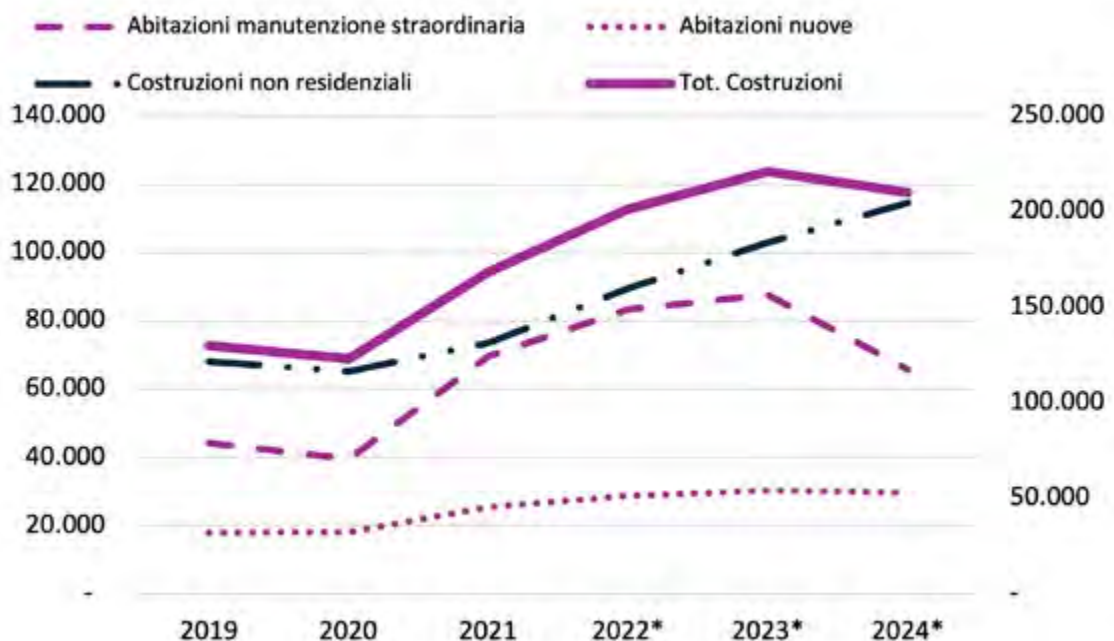
increase of 9.7% in value over the previous year (corresponding to +5% in quantity). The increase in value is more pronounced for non-residential construction (+15.2% thanks, in particular, to the contribution of public building), while the growth in housing amounts to +5.2% (of which +5.9% for new and +5%); in real terms, the increase in investments in housing is quantifiable at +0.7% (+1.3% for new and 0.5% for extraordinary maintenance). According to Ance, therefore, "The increase in residential building production levels, although more contained than in the previous two-year period, still implies growth in investments in new housing and a still positive trend for investments in housing renovation." The tendential increase in new construction is "linked to the positive trend in building permits that has been underway since 2016, inter-

persed only by the negative result of 2020 (-11.2%)", while regarding the redevelopment of the housing stock "the level of investments is equal to 87,529 million euros; compared to the previous year, an increase of +0.5% in real terms is estimated. This branch, which has now come to represent 40% of the total value of investments in construction, has certainly been aided by the tax incentives envisaged for the requalification of existing real estate assets."

Initial estimates for 2024, on the other hand, indicate a decrease of -4.9% in value and -7.4% in quantity for the current year, a synthesis of a downsizing of residential construction, in particular construction linked to renovations, and further growth in non-residential construction.

Graf. 1 Investimenti in costruzione

current values. total construction on the right secondary axis.



* Stima ANCE.

Fonte: Centro Studi Federlegno Arredo Eventi SpA/FederlegnoArredo su dati ANCE



In 2023, residential-related investments accounted for more than half of total construction investment, in line with the previous year.

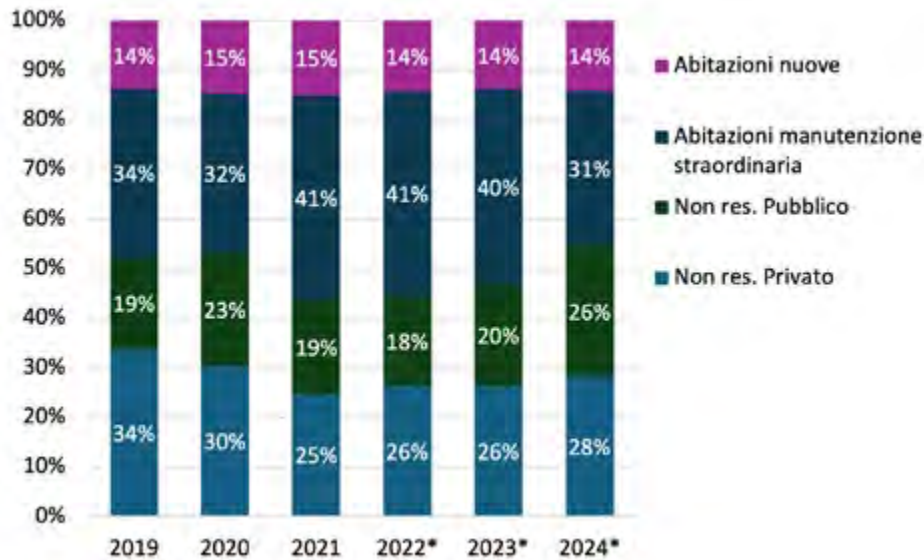
For 2024, the contraction estimated by Ance for extraordinary residential maintenance, combined

with the growth of both public and private non-residential, is reflected in an increase in the share of non-residential investments to the detriment of residential-related investments.



Graf. 2 Investiments on construction

Current values. Millions of euros. % of total investments in construction.



* Stima ANCE.

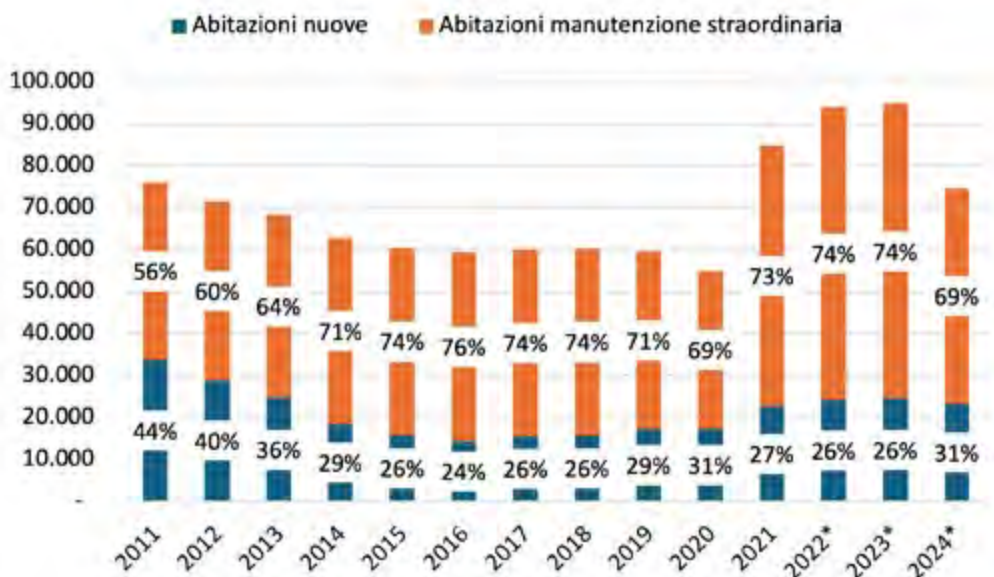
Fonte: Centro Studi Federlegno Arredo Eventi SpA/FederlegnoArredo su dati ANCE

Renovation

Extraordinary maintenance is, in the residential segment, predominant over new in 2023 as well, with a share of 74% expected to decrease in 2024.

Graf. 3 Investiments on residential construction

Millions of euros. Values at 2015 prices.



* Stima ANCE.

Fonte: Centro Studi Federlegno Arredo Eventi SpA/FederlegnoArredo su dati ANCE





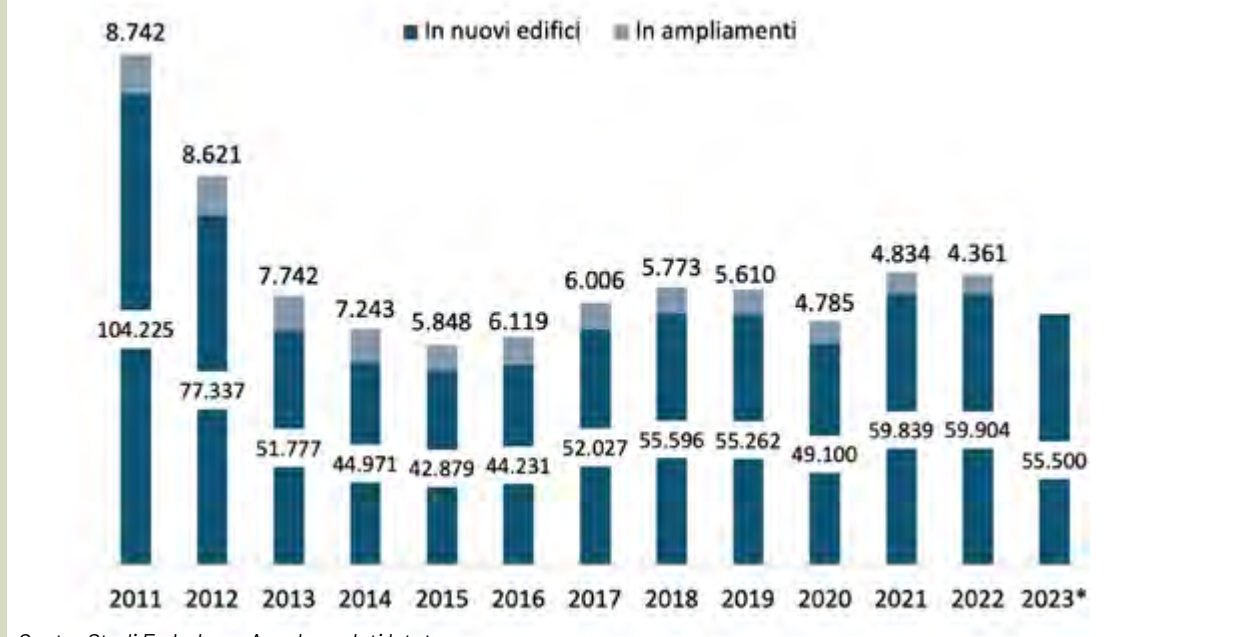
Building permits

The number of building permits is a forward-looking indicator that allows us to know how many and the main characteristics of the constructions that will be completed in the years immediately ahead. Istat shares annually the number of building permits for:

- new buildings and related dwellings
- new dwellings in extensions to existing buildings.

According to the first available data, in 2023 building permits, excluding extensions for which the information is not yet available, amounted to 55,500, compared to 59,900 in the previous year (plus 4,361 dwellings in extensions to existing buildings): that means a drop of 7.3%. Again, the number of dwellings is above 2019 levels.

Graf. 6 New homes from building permits³
2010-2023 years. Number of new homes by type



Fonte: Centro Studi FederlegnoArredo su dati Istat

The Wood Macrosystem

The Wood Macrosystem (excluding Wood Trade) ends 2023 with a production turnover of over 21.6 billion euro and a decrease of 10.5% compared to 2022. The change in value is positive compared to 2019 (+27%), the year before the pandemic.

The overall figure is determined in particular by the production trend for the domestic market, which accounts for 76% of the total and is down 11.5%. The boost from the numerous housing and renovation-related bonuses has been considerably reduced and high interest rates have slowed down buying and selling and investment in dwellings. Both imports (-11.5%) and exports (-7.2%) fell, but they only ac-

counted for 24% of the total. The trade balance improved (+31.2%) although it is still negative.

All the Systems ended 2023 in the negative except for Building Products, which still grew slightly (+2%). Packaging (-22.8%), Primary Processing (-18.5%), Panels (-14%) and Doors and Windows (-12%) are those with an above-average negative trend, while Flooring (-9.2%), Semi-finished products for Furnishings (-8.6%), Curtains and Sun Shading (8.5%), Coffers (-4%) and Cork (-2.6%) were below average. The number of companies operating in the Wood Macrosystem are almost 30,200 in 2023, down (-2.2%) compared to 2022. The number of professionals is stable (+0.4%), totaling 131,167, surpassing 2019 as well.

³ Due to the renewal of the imputation process for missing responses starting with the 2020 data, in August 2022, Istat released the time series of reconstructed data for the years 2010-2019. Therefore, no point-in-time comparisons with previously published data are possible.





Tab. 4 Wood Macrosystem (exclusion Trade). Final accounts 2023.

Values on millions of euro.

Wood Macrosystem	2019	2020	2021	2022	2023	Var. % 23/22
Total turnover	17.031	15.912	20.593	24.168	21.630	-10,5%
Export	4.647	3.952	4.824	5.494	5.099	-7,2%
Quota export	27%	25%	23%	23%	24%	
Production for italian market	12.383	11.960	15.768	18.674	16.531	-11,5%
Import	3.984	3.700	5.140	6.681	5.915	-11,5%
Apparent internal consumption	16.367	15.660	20.909	25.355	22.446	-11,5%
Commercial balance	663	252	-316	-1.187	-816	31,2%
Companies	33.217	32.609	31.953	30.880	30.186	-2,2%
Employees	130.507	127.553	128.846	130.645	131.167	0,4%

Fonte: Centro Studi FederlegnoArredo



The ISTAT index of industrial production (which monitors changes in volumes for Ateco codes) shows a contraction of production in quantity in 2023 of 14% for Wood (Ateco 16) compared to 2022, a negative trend in both the first and second half of the year. The analysis of the monthly series of the last five years shows that 2022 was the best year for Wood, while 2023 is back to 2019 levels.

The ISTAT producer price index shows an increase that started as early as February 2021 for the Wood industry (Ateco 16) and continued at a sustained pace throughout 2022, before stabilizing in 2023. Overall, the increase in Wood prices in 2023 was +0.8% over 2022.

Imports

The Wood-furniture Supply Chain has been affected by a shortage of raw materials and is very dependent on foreign sources for timber. In 2023, the value of imports is 5.9 billion euros, down from 2022 (-11.5%) but still higher than in 2019, when it was just under 4 bil-

lion euros. Downward trends for all Systems except Doors and Windows (+23.8%), Cork (+10.9%) and Coffers (+6.6%). Packaging (-19.3%) and Primary wood processing (logs and sawn timber: -16.4%) declined more than average. Austria, the leading supplier with over 1.2 billion euros, declined by 12.7%, while imports from Germany grew, recording the highest change (+26.8%), gaining two positions over China, which, together with Croatia, recorded the largest decreases. Logs and Sawn Timber and Panels are the most imported products.

Imports for the Wood Macrosystem also decreased in the first quarter of 2024 (-14% compared to the first three months of 2023) to a value of 1.4 billion euros. Despite its 6.8% decrease, Austria remained the main supplier. Imports from Poland (-21%) and China (-18.6%) decreased significantly, but the other main countries were also negative, except for Slovenia which was stable at +0.4%..



**Tab. 5 Import of the Wood Macrosystem for the years 2019–2023**

Value million euro. Var. % 2023/2022.

Country	2019	2020	2021	2022	2023	Peso %	Var. % 23/22
Austria	870	763	1.181	1.429	1.247	21,1%	-12,7%
Germania	331	387	491	507	643	10,9%	26,8%
Polonia	272	253	347	471	462	7,8%	-1,8%
Cina	309	268	418	624	383	6,5%	-38,6%
Francia	207	233	270	345	321	5,4%	-7,0%
Slovenia	139	144	199	286	295	5,0%	3,1%
Romania	209	185	233	278	272	4,6%	-2,1%
Ungheria	122	96	137	200	203	3,4%	1,5%
Croazia	113	104	132	392	201	3,4%	-48,6%
Spagna	132	148	167	180	190	3,2%	5,6%
Altri	1.281	1.119	1.566	1.970	1.697	28,7%	-13,8%
Totale	3.984	3.700	5.140	6.681	5.915	100,0%	-11,5%

Fonte: Infodata Centro Studi FederlegnoArredo su dati Istat

Tab. 6 Import Wood System. January - march 2024

Values on millions of euro. Var. % 2024/2023.

Paese	Gen-Mar 2024	Var. % 2024/23
Austria	324,43	-6,8%
Germania	161,68	-8,4%
Polonia	98,16	-21,0%
Cina	94,58	-18,6%
Francia	82,85	-15,8%
Slovenia	80,79	0,4%
Croazia	58,19	-4,8%
Romania	56,07	-25,3%
Ungheria	49,40	-10,2%
Portogallo	46,71	-10,0%
Altri	376,13	-20,6%
Totale	1.428,99	-14,0%

Fonte: Infodata Centro Studi FederlegnoArredo su dati Istat

Foreign markets

Exports of the Wood Macrosystem (excluding Wood Trade) in 2023 closed at -7.2%, for a value of just over 5 billion euros. There was a widespread decline in all Systems except for Blinds and Sun Shading (+0.6%) and Coffers (+13.9%). Panels (-9.8%) and Semi-finished products for furnishings (-6.8%) weighed heavily on the negative trend, while Packaging and Cork recorded the largest drop (-17.4% and -20% respectively). On the other hand, the comparison of the macro-system as a whole with 2019 is positive (+9.7%). The top ten destinations show negative trends, with the exception of Spain, which grew by 3%, and Austria which remained stable at +0.1%. France surpasses Germany and becomes the first destination market of the Wood Macro-system. The United States recorded the most significant drop in the top 10 (-19.7%) but maintained its position, while China (-16%) dropped to 11th place.





Tab. 7 Export Wood System 2019-2023
Values on millions of euro. Var. % 2023/2022

Paese	2019	2020	2021	2022	2023	Peso %	Var. % 23/22
Francia	675	574	730	815	805	15,8%	-1,3%
Germania	699	674	752	866	785	15,4%	-9,3%
Regno Unito	569	446	560	622	579	11,4%	-6,9%
Stati Uniti	388	343	405	512	411	8,1%	-19,7%
Spagna	187	132	181	219	225	4,4%	3,0%
Svizzera	173	152	173	190	173	3,4%	-9,0%
Austria	150	125	163	172	172	3,4%	0,1%
Polonia	119	102	134	158	161	3,2%	2,2%
Paesi Bassi	90	82	104	129	122	2,4%	-5,7%
Belgio	91	74	87	97	91	1,8%	-6,4%
Altri	1.506	1.248	1.534	1.714	1.574	30,9%	-8,1%
Totale	4.647	3.952	4.824	5.494	5.099	100,0%	-7,2%

Fonte: Infodata Centro Studi FederlegnoArredo su dati Istat

In the first quarter of 2024, exports in value of the Wood Macrosystem, amounting to just over 1.2 billion euros, fell by 6.9% compared to the first quarter of 2023. Impacting the overall change was the negative performance of all major markets, especially Germany (-17.3%) and the United Kingdom (-19.8%). France (-2%) became the top destination. Exports to the United States (+13.6%), Austria (-3.4%), Switzerland (-4.5%) and Belgium (-3.3%) increased.

Tab. 8 Export - Gennaio-Marzo 2024
Valori in milioni di euro. Var. % 2024/23

Paese	Gen-Mar 2024	Var. % 2024/23
Francia	203,72	-2,0%
Germania	182,12	-17,3%
Regno Unito	125,54	-19,8%
Stati Uniti	103,60	13,6%
Spagna	52,79	-11,2%
Svizzera	39,47	0,5%
Austria	35,94	-18,8%
Polonia	34,35	-8,6%
Paesi Bassi	31,07	-9,7%
Belgio	22,97	-6,3%
Altri	370,77	-1,4%
Totale	1.202,36	-6,9%

The furniture macrosystem

In 2023 the Furniture Macrosystem was worth a total of more than 27.8 billion euros, down 3.8% compared to the previous year, but still well above 2019 levels. The average change affects all Systems except for the Office System, which is moderately positive, as it is supported by the increase in turnover on the 53% Italian market.

The trend was similar for exports, which accounted for 53% of the total at almost 14.7 billion euros (-3.8%), and sales on the domestic market (just under 13.2 billion euros, -3.7%).

As a result of lower purchases from China (-30.3%), the leading supplier, imports decreased (-10.7%). This leads apparent domestic consumption to fall by 5.7%; it is thus worth just under 5 billion euros. The trade balance remained at the previous year's level (+0.1%) with a total value of more than 9.7 billion euros.

There are just under 21,300 Italian companies operating in the furniture macro-system, further decreasing compared to 2022 (-2.1%). On the other hand, the number of employees remains at the previous year's level: almost 141,000 in 2023 (+0.5%).



Tab. 9 Furniture Macrosystem *. Final balance 2023.

Value million euro.

Macrosistema Arredamento	2019	2020	2021	2022	2023	Var. % 2023/2022
Total turnover	23.498	21.301	26.091	28.927	27.839	-3,8%
Export	12.362	11.195	13.623	15.259	14.677	-3,8%
Quota export	53%	53%	52%	53%	53%	
Production for italian market	11.137	10.107	12.468	13.668	13.162	-3,7%
Import	3.912	3.480	4.556	5.551	4.958	-10,7%
Apparent internal consumption	15.049	13.586	17.024	19.220	18.120	-5,7%
Commercial balance	8.450	7.715	9.067	9.708	9.719	0,1%
Companies	22.936	22.506	22.169	21.748	21.287	-2,1%
Employees	139.569	136.895	138.194	140.293	140.930	0,5%

Fonte: Centro Studi FederlegnoArredo

*Il Macrosistema Arredamento comprende il Sistema Arredamento, il Sistema Mobili professionali e commerciali, il Sistema Arredobagno, il Sistema Ufficio e il Sistema Illuminazione.

Foreign markets

In 2023, exports of the Furniture Macrosystem were be worth around 14.7 billion euros and were be down-sized compared to the previous year (-3.8%), although they did remain at higher levels than in 2019. The leading market remains France (over 2.4 billion, or 16.5% of total exports), with a value in line with

2022 (+0.2%). The average reduction is mainly due to lower sales to the United States (second market with 1.72 billion euros, -8%), but also to China (seventh market, 479 million euros, -17%), Germany (third market with 1.34 billion euros, -5.4%) and, outside the main destinations, Qatar.

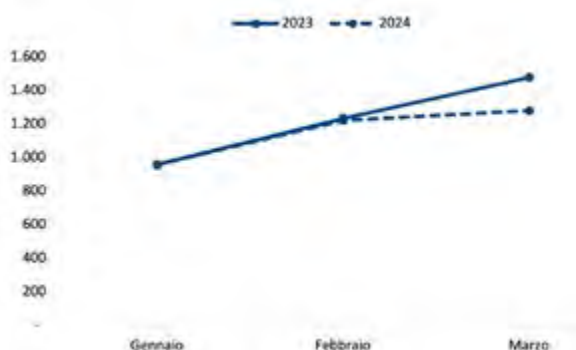
Tab. 10 Export Furniture System from 2019 to 2023

Valori in milioni di euro. Var. % 2023/2022.

Paese	2019	2020	2021	2022	2023	Peso %	Var. % 2023/2022
Francia	1.955	1.822	2.267	2.416	2.421	16,5%	0,2%
Stati Uniti	1.115	1.075	1.491	1.870	1.720	11,7%	-8,0%
Germania	1.169	1.164	1.352	1.414	1.337	9,1%	-5,4%
Regno Unito	744	607	734	798	747	5,1%	-6,4%
Svizzera	579	542	635	727	705	4,8%	-3,0%
Spagna	485	428	526	605	609	4,1%	0,6%
Cina	503	454	566	578	479	3,3%	-17,0%
Belgio	324	319	388	393	370	2,5%	-6,0%
Emirati Arabi Uniti	255	197	238	312	329	2,2%	5,4%
Paesi Bassi	263	266	295	352	320	2,2%	-9,2%
Altri	4.970	4.321	5.132	5.793	5.640	38,4%	-2,6%
Totale	12.362	11.195	13.623	15.259	14.677	100,0%	-3,8%

Fonte: [Infodata](#) Centro Studi FederlegnoArredo su dati Istat

Graf. 9 **Monthly exports of Furniture Macroystem** 2022 and 2023 years. Values on milion euro.



Fonte: Infodata Centro Studi FederlegnoArredo su dati Istat

Sawmill industries sector

sawmill sector show a significant drop in turnover that amount to -18.5% in 2023.

Imports account for 67% of apparent domestic consumption.

Trend

the total turnover drops significantly, from 1,406 million euros in 2022 to 1,146 million euros in 2023: a decrease of 260 million euros. Imports remain the main channel for supplying the Italian market with sawn timber, accounting for 67% in 2023. Imports also show a similar decrease in 2023 (-16.4%).

Companies and employees

the Italian companies of the Sawmill Industries are 2,064, with 7,095 employees. The trend compared to 2022 shows decreasing enterprises (-2.4%) and stationary employees (-0.4%).



Sawmill Sector	2019	2020	2021	2022	2023	Var. % 2023/2022
Total turnover	1.083	937	1.218	1.406	1.146	-18,5%
Export	289	248	323	337	312	-7,4%
Quota export	27%	26%	27%	24%	27%	
Production for italian market	794	689	894	1.069	833	-22,0%
Import	1.140	1.044	1.558	2.013	1.684	-16,4%
Apparent internal consumption	1.935	1.733	2.452	3.082	2.517	-18,3%
Commercial balance	-852	-796	-1.234	-1.676	-1.371	18,2%
Companies	2.323	2.265	2.234	2.116	2.064	-2,4%
Employees	7.801	7.294	7.264	7.121	7.095	-0,4%

Products For Building System


Production turnover on the rise for Building Products (+2%), worth 3.3 billion euros in 2023.

The domestic market closes at +3.4%.

Trend

after an extremely positive year in 2022, thanks to the numerous tax incentives, the production turnover of the Building Products System in 2023 slows down, but still closes with growth: +2% compared to 2022 for a value of 3.3 billion euros. Despite the unfavorable outlook for the real estate market, penalized by interest rate rises and the reshaping of tax incen-





tives, the most structured companies have been able to diversify the market, maintaining a superior trend even compared to 2019. Wooden buildings remain the driving branch, albeit with different trends among the various companies: the complexity of wooden construction is increasing and, alongside residential construction for private individuals, the construction of multi-story wooden buildings is developing. Production for the domestic market, which accounts for 89% of the total, showed the strongest growth: +3.4% compared to 2022. Imports decreased (-11.6% total change compared to

2022), especially from Austria (-19.5%) and China (-58.4%) but grew from Germany (+107.4%) and Slovenia (+114%). Exports also fell (-7.7% over 2022) due to very negative trends in sales to Germany (-17.2%) and Switzerland (-31.7%), while France, with +17.1% growth, became the top destination.

Companies And Employees

There are 10,580 Italian companies operating in the Wood Building Products System with a total of 27,915 employees (in line with the previous year), a decrease of 2% compared to 2022.

Building sector	2019	2020	2021	2022	2023	Var. % 2023/2022
Total turnover	2.306	2.156	2.760	3.217	3.282	2,0%
Export	391	349	408	403	372	-7,7%
Quota export	17%	16%	15%	13%	11%	
Production for italian market	1.915	1.807	2.352	2.814	2.910	3,4%
Import	530	558	788	837	740	-11,6%
Apparent internal consumption	2.445	2.364	3.140	3.651	3.650	0,0%
Commercial balance	-139	-208	-380	-434	-368	15,1%
Companies	11.743	11.483	11.195	10.796	10.580	-2,0%
Employees	27.873	27.081	27.403	27.776	27.915	0,5%

Wood trade

- Turnover drops by -20% in 2023 compared to 2022

Trend

In 2023 the turnover of the Wood Trade shows a decrease of -20% compared to 2022, which brings it down to a lower level than 2021.

The turnover of the Wood Trade represents the turnover of wood merchants and commercial agents, which means the total volume of transactions carried out by them (for agents we also count the volumes traded on behalf of third parties and not only their direct commission income).

Trade sales volumes include trade in wood material of any type, whether imported or produced in Italy and transferred among the branches of the Wood-Furniture Supply Chain.

Wood products directly related to the branches examined are attributed, in the statistics, to the branches themselves in order to give visibility to the actual consumption of the product in our country: for example, the import/export flows of sawn timber are included in the Primary Processing System, while the flows of panels in the Panel System.

The other products (logs and pellets) are however included in the overall import-export data of the Wood-Furniture Supply Chain.

Companies and employees

in 2023, the Italian companies operating in the Wood Trade are 14,958, down by 2.8%, and the total number of employees is stationary at 26,982.





General economic information				
	Unit	2023	2024	2025
Population (million)	million	1,9	1,8	1,8
GDP Growth (%)	%	-0,4	0,8	2,5
Inflation Rate (%)	%	9,0	1,4	2,4
Unemployment Rate (%)	%	6,5	6,6	6,5
Construction industry				
Building permits (units)	units	2.528	2.300	n.a.
Housing starts (units)	units	n.a.	n.a.	n.a.
Housing completions (units)	units	n.a.	n.a.	n.a.
Wage development (%)				
	% vs previous year	11,5	8,2	n.a.
Average working time in sawmilling (h/week)				
	h/week	n.a.	n.a.	n.a.

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	2.569	2.700	2.700
Imports	1.000 m ³	442	400	400
Exports	1.000 m ³	2.411	2.600	2.600
Consumption	1.000 m ³	600	500	500

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	5.033	5.273	5.304
Imports	1.000 m ³	745	529	500
Exports	1.000 m ³	589	348	350
Consumption	1.000 m ³	5.189	5.454	5.454

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	817	859	859
Chips production	1.000 m ³	2.363	2.484	2.484
Bark production	1.000 m ³	617	648	648
Pellets production	1.000 t	1.950	1.950	1.950

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	3	2	2

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	0	0	0

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	-7,0%	5,0%
Energy	% vs previous year	-17,0%	5,0%
Transport	% vs previous year	-2,0%	0,0%

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	-7,0%	n.a.
Chips	% vs previous year	-11,0%	n.a.
Sawdust	% vs previous year	-13,0%	n.a.

Source: Latvian Timber Producers and Exporters Association

Latvian Market Report 2024

From an economic perspective, the sawmilling industry started 2024 with more optimistic expectations compared to the previous year. Sawlog prices, which constitute the main cost factor in sawnwood production, became relatively equal across all Nordic European countries. Sawlog prices in the Baltic states are no longer the highest in the region.

The industry is concerned about several factors that could influence further development. The first point to note is the uncertainty surrounding the implementation of the EU Green Deal regulatory framework, for example in EUDR. Secondly, producers still maintain rather conservative expectations regarding the situation in their main export markets, where no growth in demand is forecasted compared to 2023. This is likely to elevate the risk of overproduction in the region. Since the summer, the activity of Scandinavian pulp producers in the Baltic region has surged again. This has led to an increase in pulpwood prices, reaching levels that are now competing with raw material costs for packaging and sawnwood production companies.





General economic information				
	Unit	2023	2024	2025
Population (million)	million	37,0	37,4	37,7
GDP Growth (%)	%	3,0	3,1	3,3
Inflation Rate (%)	%	6,1	2,2	2,5
Unemployment Rate (%)	%	13,0	12	11,5
Construction industry				
Building permits (units)	units	n.a.	n.a.	n.a.
Housing starts (units)	units	n.a.	n.a.	n.a.
Housing completions (units)	units	n.a.	n.a.	n.a.
Wage development (%)				
	% vs previous year	1,0	1,0	1,0
Average working time in sawmilling (h/week)				
	h/week	n.a.	n.a.	n.a.

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	42	45	45
Imports	1.000 m ³	915	940	960
Exports	1.000 m ³	n.a.	n.a.	n.a.
Consumption	1.000 m ³	957	985	1.005

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	84	90	90
Imports	1.000 m ³	n.a.	n.a.	n.a.
Exports	1.000 m ³	n.a.	n.a.	n.a.
Consumption	1.000 m ³	n.a.	n.a.	n.a.

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	n.a.	n.a.	n.a.
Chips production	1.000 m ³	n.a.	n.a.	n.a.
Bark production	1.000 m ³	n.a.	n.a.	n.a.
Pellets production	1.000 t	2	3	5

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	n.a.	n.a.	n.a.

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	n.a.	n.a.	n.a.

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", "increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	n.a.	n.a.
Energy	% vs previous year	n.a.	n.a.
Transport	% vs previous year	n.a.	n.a.

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", "increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	n.a.	n.a.
Chips	% vs previous year	n.a.	n.a.
Sawdust	% vs previous year	n.a.	n.a.

Source: Robelbois

Moroccan Market Report 2024

Moroccan Economy in 2024: Key Sectors and Future Prospects

Morocco's economy is projected to grow by 3.5% in 2024, driven by the construction, industrial, and tourism sectors. Inflation is expected to stabilize at around 2.5%, supporting consumer spending.

1. The Construction Sector

The construction sector contributes about 6-7% to Morocco's GDP, fueled by infrastructure projects, housing demand, and preparations for the 2030 World Cup. Key projects include the expansion of Casablanca's tramway, new residential areas in major cities, and the Tangier Med Port.

Cement Consumption: Projected to reach 16 million tonnes in 2024, a 4% increase, driven by construction activities linked to the Football 2030 World Cup and urban development.

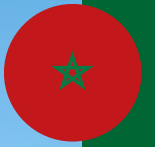
2. Impact of the 2030 World Cup

The 2030 World Cup, co-hosted with Spain and Portugal, is boosting investment in stadiums, roads, airports, and public transport. This is expected to create jobs, enhance tourism, and provide long-term economic benefits.

3. The Industrial Sector

Morocco's industrial sector, contributing 25% to GDP, is driven by automotive, aerospace, textiles, and renewable energy. The automotive industry is the largest in Africa, with over 500,000 cars produced annually by Renault and Stellantis. A growing ecosystem of automotive subcontractors contributes to the dynamism of the sector. The renewable





energy sector is also expanding, with projects like the Noor Solar Plant supporting sustainable growth.

4. The Tourism Sector

Tourism contributes 8-10% of GDP, with over 16 million visitors expected in 2024. Key destinations like Marrakech and Agadir continue to attract tourists, supported by improved infrastructure due to World Cup preparations. Currency transfer from Moroccan living abroad (about 8% of GDP) is expected to be 4-5% higher in 2024 versus last year, helping to improve further the economic balance of Morocco.

5. Challenges and Opportunities

Challenges: Economic uncertainties, inflation, and cli-

mate change impacts (lack of water) on agriculture pose risks. However the ongoing construction of desalinization plants and water pipes (from humid to more arid zones) will contribute to minimize this risk.

Conclusion

Morocco's economy in 2024 is on a growth path, driven by strategic investments in construction, industry, and tourism. The 2030 World Cup is set to accelerate development, positioning Morocco as a key economic hub in North Africa.





THE NETHERLANDS User

General economic information				
	Unit	2023	2024	2025
Population (million)	million	17,8	18,0	18,1
GDP Growth (%)	%	0,1	0,6	1,6
Inflation Rate (%)	%	4,1	3,5	2,8
Unemployment Rate (%)	%	3,6	3,7	3,9
Construction industry				
Building permits (units)	units	55.243	68.500	70.000
Housing starts (units)	units	n.a.	n.a.	n.a.
Housing completions (units)	units	73.638	66.000	70.500
Wage development (%)				
	% vs previous year	6,1	5,4	3,7
Average working time in sawmilling (h/week)				
	h/week	n.a.	n.a.	n.a.

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	113	113	113
Imports	1.000 m ³	2.701	2.650	2.720
Exports	1.000 m ³	550	500	500
Consumption	1.000 m ³	2.264	2.273	2.343

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	n.a.	n.a.	n.a.
Imports	1.000 m ³	n.a.	n.a.	n.a.
Exports	1.000 m ³	n.a.	n.a.	n.a.
Consumption	1.000 m ³	n.a.	n.a.	n.a.

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	n.a.	n.a.	n.a.
Chips production	1.000 m ³	n.a.	n.a.	n.a.
Bark production	1.000 m ³	n.a.	n.a.	n.a.
Pellets production	1.000 t	280	280	280

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	n.a.	n.a.	n.a.

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	n.a.	n.a.	n.a.

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", "increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	n.a.	n.a.
Energy	% vs previous year	7,8	n.a.
Transport	% vs previous year	increasing	n.a.

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", "increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	-17,7	n.a.
Chips	% vs previous year	n.a.	n.a.
Sawdust	% vs previous year	n.a.	n.a.

Source: VVNH / Netherlands Timber Trade Association

Netherlands Market Report 2024

General Economic Situation

The year 2023 has been significantly different from 2022 in economic terms. The Dutch economy cooled down considerably, resulting in a GDP growth of 0.1%. This is due to inflation weighting on private consumption and the weak external environment, which held back exports. Whereas the economy was still benefiting from the post-pandemic recovery in 2022, this year the economic impact of Russia's invasion of Ukraine is more evident. The majority of the economic growth in 2023 can be attributed to government consumption. In 2024, growth is forecast to pick up to 0.6%, supported by an increase in wage growth and expansion in government consumption and public investment.

In 2023, inflation steeply went down to 4.1% from 11.6% in 2022 and is expected to further decline in subsequent years. This decline can be partly attributed to a decrease in energy prices, which benefited from the energy price cap set by the government. This development coexisted with a rise in purchasing power from -2.5% in 2022 to -0.6% in 2023.

After the labour market became very tight shortly after the coronavirus recession, unemployment rate remains stable at 3.5% and 3.6% in 2022 and 2023, respectively. It is expected to increase marginally, to 3.9% in 2025. Wage growth showed a delayed increase as a result of increased inflation, which resulted in a historically low purchasing power in 2022. However, wage growth increased sub-



stantially to 6.2% in 2023 and is forecast to remain high in the coming years.

The main economic indicators are presented in table 1, showing the historic trend over recent years and a forecast for 2024/2025.



Table 1: Dutch economic indicators

Indicator	Unit	2020	2021	2022	2023	2024	2025
GDP ¹	%	-3.9	6.2	5.0	0.1	0.6	1.6
Euro (dollar/euro) ¹	Ratio	1.14	1.18	1.05	1.08	1.08	1.10
Inflation ¹	%	1.1	2.8	11.6	4.1	3.5	2.8
Purchasing power ¹	%	2.5	0.9	-2.5	-0.6	2.5	1.1
Unemployment ¹	x 1000	465	408	350	359	375	395
Unemployment rate ¹	%	4.9	4.2	3.5	3.6	3.7	3.9
Investments ²	%	-6,3	4.7	5.6	-9.1	-3.2	3.9
Building permit granted ^{3 4}	Number	67,136	75,828	64,536	55,243	68,500	70,000
Ditto	%	15.5	12.9	-14.9	-14.4	24.0	2.2
House-build completed ^{3 4 5}	Number	69,985	71,221	74,560	73,638	66,000	70500
Ditto	%	-2.2	1.8	4.7	-1.2	-10.4	6.8

1. CPB, 2024. Augustus raming 2024: CPB (Netherlands Bureau for Economic Policy Analysis), The Hague, the Netherlands.

2. Including stocks.

3. CBS Statline, July 2024.

4. Estimations by Probos based on the average of the prognoses of the CBS (woningmarkt) and Economisch Instituut voor de Bouw.

Traditionally, the housing industry is important for the softwood industry. The demand for housing remains high and house prices rose steeply until mid-2022. This was mainly driven by low interest rates combined with generous mortgage loan standards, which allowed people to borrow money cheaply. After mid-2022 housing prices started to decrease for some time, but this trend reversed from mid-2023 onwards. A similar but opposite trend was apparent in the mortgage rates, which have been decreasing since mid-2023. Construction output grew by 1.5% in 2023. Construction output of new non-residential buildings increased moderately by 2%, while residential construction shrank by 7%. The short-term prospects of the construction sector are clearly less favourable compared to previous years; construction of new buildings, both residential and non-residential, are expected to decrease sharply with 11% and 10%, respectively. Production with regards to renovation and maintenance will be insufficient to compensate for this reduced output. However, medium-term prospects seem more positive, as the total production between 2026-2028 is expected to

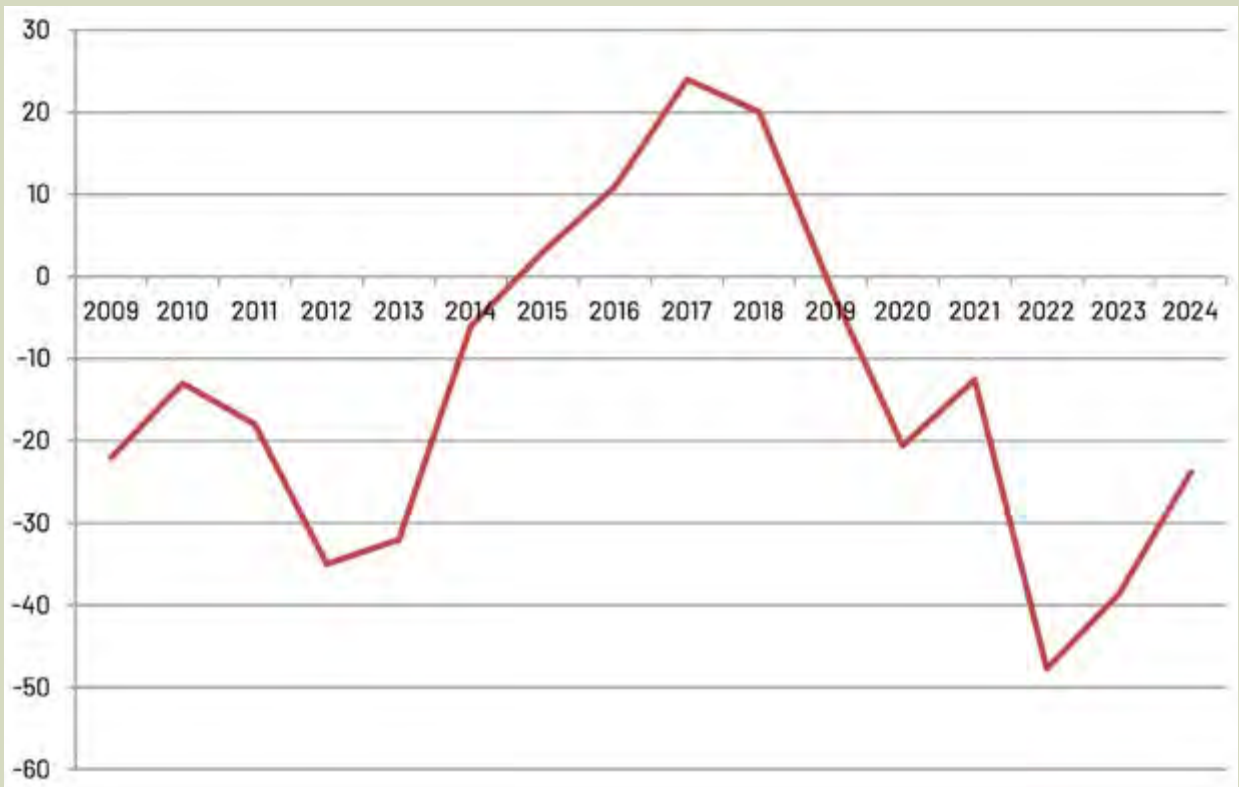
increase with 2.5% per year on average.

Consumer confidence is an indicator of consumers' faith and expectations in the Dutch economy. It is however largely influenced by the general world economy. As is shown in figure 1, consumer confidence in the Netherlands increased sharply since 2013, stabilised between 2017 and 2018 and then shows a large drop in 2019 as a consequence of the COVID-19 outbreak, stretching into 2020. However, over the first seven months of 2021 consumer confidence increased again by 9 points. To a great extent this recovery may be attributed to the high vaccination rate in the Netherlands and consequently the gradual ease of related limitations. Unfortunately consumer confidence dropped in 2022. The all-time low (-48) was reached in September and October 2022. This is according to CBS 2022 the lowest level since measurement began in 1986. From November 2022 onwards, consumer confidence started to recover steeply, averaging at -24 in 2024. The reduced inflation rates, among others, probably plays a role in this.





Figure 1: Consumer confidence trend in the period from 2009 to the first eight months of 2024



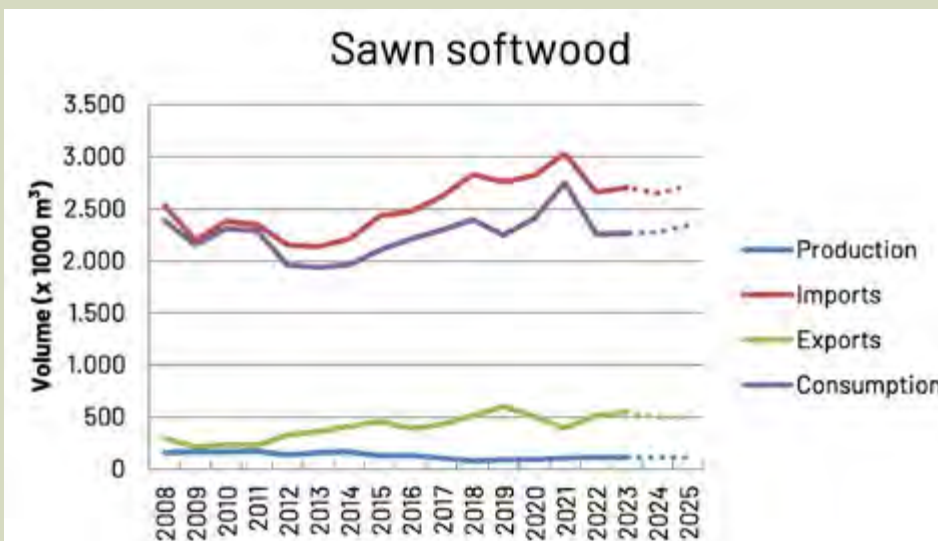
(Source: CBS Statline edited by Probos)

The Dutch Sawn Softwood Market

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 continued until 2019. After a small decrease in 2019, the recovery continued in 2020 and 2021. In 2022 and 2023 the imports of sawn softwood seem so stabilize.

In 2023 imports of sawn softwood increased by 1,5% while exports increased with 39% compared to 2022¹. This resulted in a moderate decrease in apparent consumption. For the first time, planed sawn wood has a higher import volume then rough sawn wood. Planed sawn wood represents approximately 60% of the import volume, where rough sawn softwood has a share of roughly 40% of the total softwood import (Table 2). Stocks are expected to remain at a low level.

Figure 2: Development of production, import, export and consumption of sawn softwood in the Netherlands in the period 2008-2023 and expectations for 2024 and 2025.



(Source: CBS trade statistics edited by Probos, Probos roundwood survey and NTTA estimates and forecasts)

1. Since 2024 the format of the input-data (t-1) to analyse international timber trade data for the Netherlands has changed due to legal circumstances. This resulted in a less detailed format of the input data, which makes exact comparison to historical trade data difficult. A sensitivity analysis specifically for sawn softwood pointed out that 2023 trade data might represent an overestimation of up to 22% compared to 2022 for certain productcodes.





Table 2: Sawn softwood imports (volume in m3)

Table 1: Dutch economic indicators												
Countries	Sawn	Planed	Total	%	Sawn	Planed	Total	%	Sawn	Planed	Total	
1 Sweden	337.509	423.347	760.856	28%	235.883	693.998	929.881	34%	-30%	64%	22%	
2 Germany	413.185	179.139	592.324	22%	280.659	379.285	659.944	24%	-32%	112%	11%	
3 Finland	167.156	65.197	232.353	9%	116.188	139.153	255.341	9%	-30%	113%	10%	
4 Belgium	68.729	24.408	93.137	4%	59.928	107.728	167.656	6%	-13%	341%	80%	
5 New-Zealand	60.905	143	61.048	2%	106.343	3.911	110.254	4%	75%	2627%	81%	
6 Latvia	59.971	38.831	98.802	4%	46.627	56.775	103.402	4%	-22%	46%	5%	
7 Poland	40.735	10.814	51.549	2%	24.640	52.725	77.365	3%	-40%	388%	50%	
8 Estonia	25.971	33.010	58.981	2%	20.769	50.289	71.058	3%	-20%	52%	20%	
9 Ukraine	46.862	1.300	48.162	2%	57.288	649	57.937	2%	22%	-50%	20%	
10 France	3.518	14.417	17.935	1%	10.526	30.951	41.477	2%	199%	115%	131%	
Other	363.245	280.482	643.727	24%	108.015	118.384	226.399	8%	-70%	-58%	-65%	
Total	1.587.786	1.071.087	2.658.873		1.066.866	1.633.848	2.700.714		-33%	53%	2%	

* Other (2023): This group consists of 38 countries with exports to the Netherlands of less than 39,000 m³ (Source: CBS trade statistics edited by Probos and international trade statistics of Sweden, Germany, Finland and Latvia for verification)

With the uncertainty regarding the 2023 data in mind, the top 10 countries for softwood import in the Netherlands experience quite some changes compared to 2022 (table 2). Most notable are the absence of Russia and Belarus due to the import ban because of the ongoing war in Ukraine. In 2022 their combined exports to the Netherlands were still estimated to be approximately 350.00 m³. In 2023 this decreased to 0.

Sweden and Germany remain by far the foremost suppliers of softwood timber to the Netherlands. In general the imports increased slightly. This is reflected in the individual imports of almost all countries. The total import of sawn softwood in the Netherlands increased by 1,5% in 2023 compared to 2022. This is mainly caused by an increase of imports of planed sawnwood (53%).

2023 and 2024 Forecast ^{2 3 4 5}

The Dutch economy is projected to grow by 0.6% in 2024 and 1.6% in 2025, according to the draft Macro Economic Outlook for 2025 published by CPB Netherlands Bureau for Economic Policy Analysis on August 16. This growth is supported by higher wages and an increase in world trade, which will help the economy recover from recent lean quarters. The labour market remains tight, and wages

are catching up, giving households more spending power. Consequently, median purchasing power is expected to rise by 2.5% this year and 1.1% in 2025, reversing the loss caused by the inflation shock.

Despite these positive trends, the budget deficit is expected to be significantly higher in the coming years, nearing the European agreed safety margin of -3% of GDP. This increase is partly due to the reduction in the financial burden and the shift to expansionary policies. The structural deficit will also rise due to population ageing, underinvestment, and higher interest charges. Although government debt is currently low, it is on an upward trajectory that will need to be addressed to avoid shifting financial burdens to future generations.

The international economic outlook remains uncertain, with moderate growth expected in the eurozone and a slowdown in the US. However, relevant world trade is increasing, leading to a resumption of export growth. Energy-intensive industries, which have faced difficulties, are expected to see export growth again. While GDP growth of 0.6% in 2024 reflects the impact of recent economic challenges, the recovery will become more evident in 2025 with a projected growth of 1.6%.

2. <https://www.cpb.nl/en/projections-august-2024-cmev-2025>

3. <https://www.cpb.nl/sites/default/files/omnidownload/CPB-Projections-Concept-Macro-Economic-Outlook-2025-August-2024.pdf>

4. <https://www.cbs.nl/en-gb/figures/detail/70675eng>

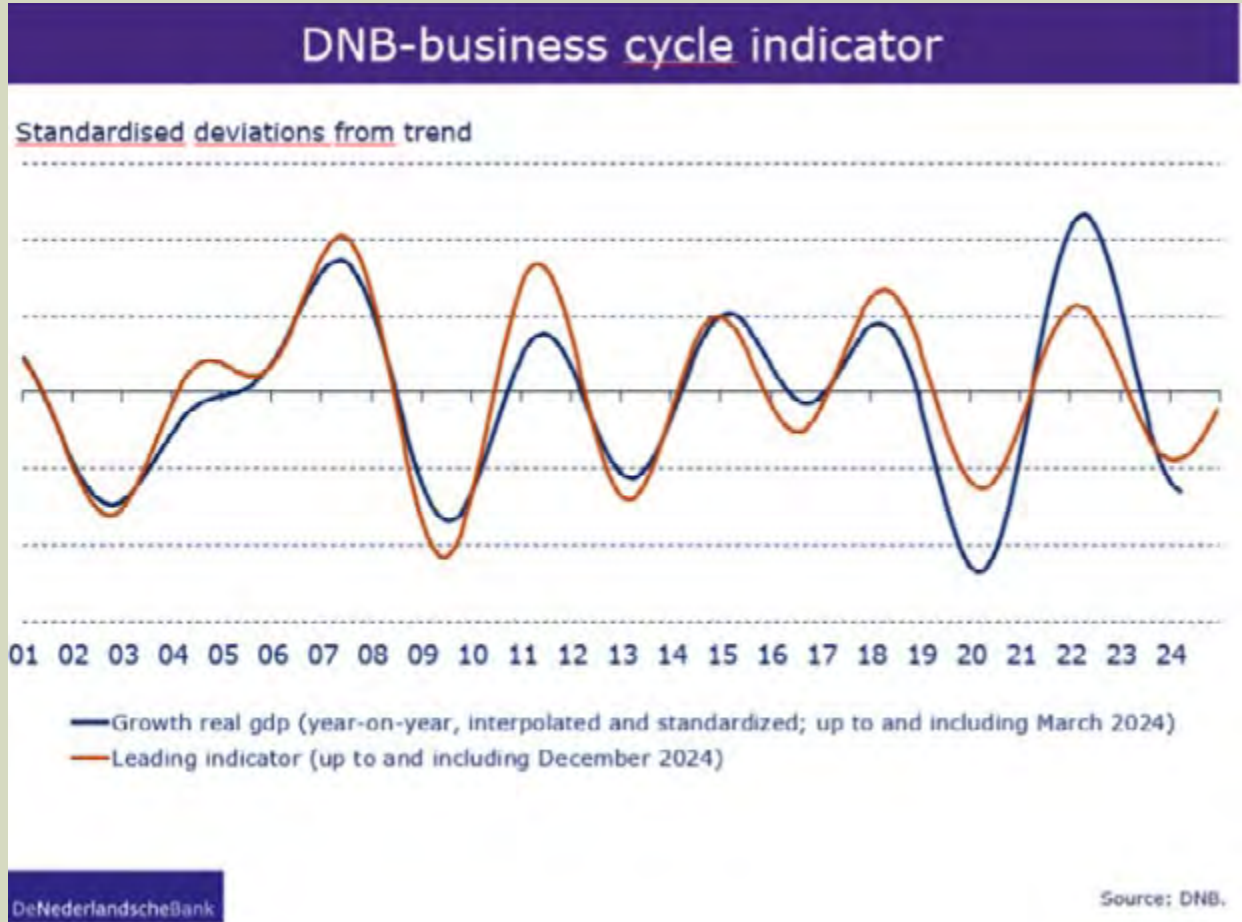
5. <https://www.dnb.nl/publicaties/publicaties-dnb/eov/voorjaarsraming-2024/>





Inflation is expected to decrease, with the European harmonised HICP figure falling to 2.8% in 2024 and continuing to decline to just below 2% by 2026. Core inflation, excluding energy and food, is also projected to drop from 6.4% in 2023 to 2.9% in 2024, 2.4% in 2025, and 2.0% in 2026. Negotiated wage growth in the private sector is expected to reach 6.0% in 2024, then gradually decline to 3.7% in 2025 and 2.9% in 2026.

The Dutch Bank's business cycle indicator, which considers variables such as consumer confidence and expected business activity in Germany, reached a trough in March 2024 and has since turned upward. This indicates that the upward phase in the economic growth cycle began in March 2024, with GDP growth approaching trend growth by December 2024.



The average rent for dwellings is expected to peak in 2024 with a 5.5% increase. Historical data shows rent increases of 2.5% in 2019, 2.9% in 2020, 0.8% in 2021, 3.0% in 2022, and 2.0% in 2023. The housing price index, as reported by the Dutch Bank, shows a gradual improvement from -5.5 in Q2 2023 to -5.8 in Q1 2024.

The ING bank expect Dutch construction volumes to experience a slight decline of 3% in 2024 . However, in 2025 recovery is expected. There are clear signs that the construction market will get a boost in 2025. The number of newly built houses is expected to increase again and the infrastructure will get a slight impulse from the newly formed government with extra financing and unpausing infra-projects.

In summary, while the Dutch economy is on a path to

recovery with moderate growth and increasing purchasing power, challenges such as a rising budget deficit and government debt need to be managed to ensure long-term stability.

Dutch sawn softwood imports are traditionally closely related to the situation in the residential construction industry. After a decrease in the residential construction industry in 2020 due to uncertainties regarding to the effects of the COVID-19 pandemic, the consequences of the nitrogen emissions and with PFAS contaminated soil, and the economic situation and conflict in Ukraine from 2021 onwards, the expectation for 2022 onwards is that it most likely further decrease. However uncertainty is high. Simultaneously timber prices have staggered in the past years, also due to involvement of China in the international timber market.





Table 3: Summary of softwood statistics

Softwood lumber (1,000 m ³)	Year	2020	2021	2022	2023	2024	2025
Production	95	110	115	113	113	113	1.6
Imports	2,818	3,032	2,659	2,701	2,650	2,720	1.10
Exports	509	391	515	550	500	500	2.8
Stock beginning of year	320	300	300	300	310	310	1.1
Availability (= 1+2-3+4)	2,704	3,051	1,944	2,564	2,573	2,643	395
Stock end of year	300	300	300	300	300	300	3.9
Apparent consumption (= 5-6)	2,404	2,731	2,259	2,264	2,273	2,343	3.9

% change on previous year		2020	2021	2022	2023	2024	2025
Imports	5,6%	15,8%	5%	-1,5%	0,0%	0,0%	+2,6%
Exports	2,1%	7,6%	-22,7%	1,6%	-1,9%	+2,6%	0,0%
Imported stock beginning of year	-15,4%	-23,2%	31,7%	6,8%	-9,0%	0,0%	0%
Availability	0,0%	-6,3%	0,0%	0,0%	3,3%	0%	2,7%
Imported stock end of year	6,1%	12,0%	-26,4%	23,5%	0,4%	2,7%	0,0%
Apparent consumption	-6,3%	0,0%	0,0%	0,0%	0,0%	0,0%	3,1%

(Source: CBS trade statistics edited by Probos, international trade statistics of Sweden, Germany, Finland and Latvia, Probos roundwood survey and NTTA estimates and forecasts)





Environmental issues

NTTA policy on Sustainably Produced Timber:

In order to further stimulate the import of timber from sustainable sources a target is set. 90% of all timber imported, or bought on the Dutch market, by NTTA members is to be sourced from sustainably managed and certified forests. Members are obliged to report yearly. In 2023 93,9% of all softwood imported and traded by NTTA members was derived from sustainably managed forests and presented with a Chain of Custody (CoC) certificate (2008: 77%). Despite the situation with Russia the level of certified timber could be kept at a high level. Hardwood- and panel product imports showed the following results: tropical hardwood 66,4% (2008: 19%) and panel products 93,1% (2008: 49%). The overall score in 2023 met with 87,7% timber from a certified sustainably managed source.

NTTA and EUDR: The fact that all commodities that affect forests fall under the EUDR is in our NTTA-opinion a good thing. After all, forests must remain forests, because that is – logically – precisely in the interests of the timber trade. The NTTA is therefore in favour of the legislation, but it must be practical. We have repeatedly pointed this out to the Dutch government – and together with ETTF and CEI-bois, the EU Commission. Despite the fact that the NTTA members have extensive experience with the EUTR, the many unanswered questions about the implementation of the EUDR pose problems for companies. This is certainly the case for suppliers in major producer countries, who have a large information and implementation backlog. To date, the NTTA has held five member information sessions and the EUDR remains high on the agenda.

Joint Wood Promotion Campaign: The Netherlands Timber Trade Federation (VVNH) and Netherlands Association for the Wood Manufacturing Industry (NBvT) work closely together within the platform Centrum Hout, focussing on the efficient and increasing use of wood and wood products. This as wood is a unique, renewable, technically reliable and most environment and climate friendly resource and to be seen as the (building)material for now and the future. To embed this message in Dutch society Centrum Hout it started in 2019 the wood marketing campaign: *Wood: naturally of the present. For the future.* This social media-campaign has been successful up to 2021, 2023. It has been mutually decided that this success needs to be prolonged in 2024 and 2025. The focus has gradually changed from “the benefits of wood” during a lifetime, to focussing on actual use of timber and timber products in building. To do so a new marketing expert has joined the Centrum Hout team explore the benefits of different channels like: radio, video’s, blogs, whitepapers and daily posts. www.centrumhout.nl will be used as platform.

Environmental data: the importance of Environmental data for the European building sector is evident due to new rules in the European Construction



Product Regulation (CPR). From 2025 on producers need to provide Environmental data for “harmonised products”, among which are structural timber and cladding. In the Netherlands the need to generate Environmental data has a long history as these are required for obtaining a building permits since 2012. The VVNH is, on behalf of Centrum Hout, involved in two major projects to update environmental data as well as creating new data of timber and timber products for among others sawn softwood and products for construction, flooring, roofing, cladding, but also CLT and LVL. Underlying focus points are the changes due to the new LCA standard (EN 15804) as well as the importance of end-of-life scenario’s. In 2023/beginning 2024, 30 EPD’s have been produced or updated and published in the Dutch Environmental Database. VVNH participates in the new ETTF LCA Working Group.

Reuse and recycling of wood (packaging) in the Netherlands:

The EU has rules for the reuse and recycling of packaging, including those made of wood. The Netherlands has set a minimum level of 30% well above the EU target of 25%. The current efforts of the packaging sector in the Netherlands is monitored and so far has been well above the EU target (66%, 2021)(Stichting Kringloop Hout (SKH)). Beside packaging there is an increased focus on reuse and recycling on demolition debris. Data on volumes secondary (structural) wood and wood products and reuse and reuse possibilities in the Netherlands were nearly absent. VVNH/Centrum Hout has, in corporation with Wageningen University WUR, made an inventory on wood and wood products from buildings and water works in the Netherlands which proves that more is currently reused than officially reported. This means that in practise less is going to energy production (incineration facilities) than assumed, which in the strive for a Circular Economy is losing support. Higher reuse and recycling scores percentages also prove to be more beneficial for building materials determining Environmental data, even for a renewable resource as wood.





General economic information				
	Unit	2023	2024	2025
Population (million)	million	5,5	5,5	5,6
GDP Growth (%)	%	0,5	0,8	2,7
Inflation Rate (%)	%	5,5	3,8	3,0
Unemployment Rate (%)	%	3,6	4,1	4,2
Construction industry				
Building permits (units)	units	22.778	20.000	22.000
Housing starts (units)	units	13.963	14.000	15.000
Housing completions (units)	units	27.975	20.000	18.000
Wage development (%)				
	% vs previous year	5,4	5,2	n.a.
Average working time in sawmilling (h/week)				
	h/week	37,5	37,5	37,5

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	2.490	2.500	2.400
Imports	1.000 m ³	744	700	700
Exports	1.000 m ³	906	880	900
Consumption	1.000 m ³	2.328	2.320	2.200

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	5.986	6.600	6.200
Imports	1.000 m ³	97	105	100
Exports	1.000 m ³	1.980	2.180	2.200
Consumption	1.000 m ³	4.103	4.525	4.200

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	n.a.	n.a.	n.a.
Chips production	1.000 m ³	n.a.	n.a.	n.a.
Bark production	1.000 m ³	n.a.	n.a.	n.a.
Pellets production	1.000 t	n.a.	n.a.	n.a.

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	4	3	2

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	50	0	0

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", increasing			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	22,0%	n.a.
Energy	% vs previous year	-33,0%	n.a.
Transport	% vs previous year	6,0%	n.a.

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", increasing			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	n.a.	n.a.
Chips	% vs previous year	n.a.	n.a.
Sawdust	% vs previous year	n.a.	n.a.

Source: Treindustrien

Norwegian Market Report 2024

General economic outlook – Norwegian economy

The Norwegian economy grows at a moderate pace. The economic development throughout 2023 were characterised by increased prices, multiple interest rate hikes and reduced household demand. Trends are now pointing upwards in many areas. Economic activity in Norway is likely to pick up, however, economic development varies largely between industries. The construction industry is affected by a major downturn in the market for new housing and public spending being located elsewhere. Other industries, such as internationally exposed industries experience a rise in profitability. This is partly due to the depreciation of the Norwegian Krone. While prices rose in the mainland economy, oil and gas prices fell. Production was at about the same volume, but measured in current prices, value added within oil and gas extraction fell. The decline is due to more normal oil and gas prices, after the latter in particular went through the roof in 2022 due to the acute energy crisis in Europe in the wake of Russia's invasion of Ukraine. In 2024 the state's total net cash flow from petroleum activities is estimated at NOK 673 billion, about 305 billion lower compared to 2022. (source: Norsk Petroleum). Consumer price growth the past years has been high but has dampened somewhat recently. Nevertheless, inflation is estimated to reach almost 4 per cent this year, still well above the target rate of 2 per cent. After virtually no real wage growth since 2015, strong profitability in the industrial sector and declining inflation are already leading to high real wage growth in 2024 (Source: Statistics Norway).





The agreed collective wage settlement agreement 2024 arrived at a framework of 5,2 per cent. According to the forecasts, real wage growth will be 1.9 per cent this year and will remain around 1.5 per cent for the following three years. It is expected that increased purchasing power will boost activity and pull Norway out of the economic downturn in 2026. However, the costly wage growth is demanding for the wood industry and the construction industry due to the current market situation.

The key policy rate was raised to 4,5 % in December 2023 and is expected to remain at that level for some time ahead, according to Norges Bank (Central bank of Norway). The Norwegian krone is still weak in a historical perspective. Norges Bank will likely try to avoid a further weakening of the krone, and will probably wait to cut the interest rate until other central banks have significantly reduced theirs. Increased wages and purchasing power are contributing factors to postpone a downward adjustment in the policy rate.

The construction and housing market

The fall in production in the construction industry continues, partly due to weak new housing sales. The association for the house producers reports an alarming decline in housing starts and sales of new homes. Less than 23.000 building permits, and just about 14.000 housing starts in 2023 is considerably less than the need for new homes, estimated at 29.000 a year. The number of housing start remains at a low level in 2024. A small upswing in the housing market is expected from 2025, when according to Statistics Norway's forecast a growth of around 5 per cent should be expected. The construction sector is also affected by a downturn in public spending, affecting public procurements in the construction sector. Projects are coming to a halt or being delayed.

The wood industry

The downturn in the construction sector impacts the wood industry. At the same time the wood industry is hit by a record high cost of raw material, that chal-

lenges profitability. As the domestic market cools down, the Norwegian wood industry seek opportunities in new markets, and exports are increasing. Climate and environmental targets will turn the future market demand for new houses and buildings towards more renovation. The Norwegian wood industry have market opportunities in upgrading and renovation of buildings. Wood is a suitable material to adapt and adjust existing buildings, both wooden buildings and those made of other materials such as concrete. The energy crisis has placed the need for more energy efficient buildings on the agenda, which in the cold Norwegian weather conditions also include upgrading of insulation and facades. There are at the moment political discussions regarding policy measures to increase energy efficiency of buildings, and the outcome is still uncertain.

Future forecasts

The war in Ukraine, the situation in the middle east, as well as energy prices and inflation have caused great uncertainty. The current market situation has become even more difficult to assess than the last few years. The wood industry will also have to adapt to new policies regarding nature such as the Kunming-Montreal Global Biodiversity Framework. Even though the market forecast is uncertain, the demand for wood as a renewable and climate friendly material is still high. The Norwegian wood industry has strengthened in the past few years, with investments in the loop and an ability to seek new market opportunities both domestic and internationally. The energy crisis affects cost levels also for the sawmills and wood-based industries. However, the wood industry is also part of the solution. This represents new opportunities.

Sources:

SSB: Highest real wage growth in over ten years - SSB

Norges Bank: Continued growth, but wide differences (norges-bank.no)

Norsk Petroleum: The government's revenues - Norwegianpetroleum.no (norskpetsroleum.no)





General economic information				
	Unit	2023	2024	2025
Population (million)	million	37,6	37,5	37,4
GDP Growth (%)	%	0,2	3,1	3,7
Inflation Rate (%)	%	11,4	5,2	4,1
Unemployment Rate (%)	%	5,1	5,0	4,9
Construction industry				
Building permits (units)	units	241.600	295.000	315.000
Housing starts (units)	units	189.100	260.000	285.000
Housing completions (units)	units	221.300	195.000	215.000
Wage development (%)	% vs previous year	0,9	6,4	2,9
Average working time in sawmilling (h/week)	h/week	n.a.	n.a.	n.a.

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	4.150	4.130	4.150
Imports	1.000 m ³	770	815	865
Exports	1.000 m ³	695	680	650
Consumption	1.000 m ³	4.225	4.265	4.365

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	14.880	14.800	14.750
Imports	1.000 m ³	490	500	530
Exports	1.000 m ³	1.180	1.110	950
Consumption	1.000 m ³	14.190	14.190	14.330

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	n.a.	n.a.	n.a.
Chips production	1.000 m ³	n.a.	n.a.	n.a.
Bark production	1.000 m ³	n.a.	n.a.	n.a.
Pellets production	1.000 t	n.a.	n.a.	n.a.

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	3	3	3

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	n.a.	n.a.	n.a.

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", "increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	increasing	stable
Energy	% vs previous year	-2,5%	stable
Transport	% vs previous year	-2,3%	stable

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", "increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	increasing	increasing
Chips	% vs previous year	n.a.	n.a.
Sawdust	% vs previous year	n.a.	n.a.

Source: Polska Izba Gospodarcza Przemysłu Drzewnego





ROMANIA Producer

General economic information				
	Unit	2023	2024	2025
Population (million)	million	19,2	19,2	19,2
GDP Growth (%)	%	2,2	2,2	2,2
Inflation Rate (%)	%	8,5	5,7	5,0
Unemployment Rate (%)	%	5,5	5,5	6,0
Construction industry				
Building permits (units)	units	10.000	10.000	8.000
Housing starts (units)	units	6.000	5.000	4.000
Housing completions (units)	units	4.000	5.000	4.000
Wage development (%)				
	% vs previous year	9,0	8,0	9,0
Average working time in sawmilling (h/week)				
	h/week	40	40	40

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	2.900	2.700	2.800
Imports	1.000 m ³	100	100	100
Exports	1.000 m ³	1.100	1.100	1.200
Consumption	1.000 m ³	1.900	1.700	1.700

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	3.600	3.400	3.500
Imports	1.000 m ³	200	200	200
Exports	1.000 m ³	n.a.	n.a.	n.a.
Consumption	1.000 m ³	3.800	3.600	3.700

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	180	170	170
Chips production	1.000 m ³	300	240	240
Bark production	1.000 m ³	1.600	1.450	1.500
Pellets production	1.000 t	600	400	400

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	3	3	3

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	0	0	0

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", "increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	-5,0%	5,0%
Energy	% vs previous year	10,0%	5,0%
Transport	% vs previous year	10,0%	5,0%

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", "increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	5,0%	5,0%
Chips	% vs previous year	0,0%	0,0%
Sawdust	% vs previous year	0,0%	0,0%

Source: ASFOR - Asociatia Forestierilor Din Romania

Romanian Market Report 2024

In 2023, the volume of wood harvested in Romania decreased, compared to 2022 by 1.068 million cubic meters, totaling 19.17 million cubic meters. Softwoods accounted for 37.5% of the total volume, followed by beech (32.3%), hard species (11.9%), oak (10.6%) and soft species (7.7%).

As a consequence of the above, there was a decrease in industrial production, against the background of this reduction in the volume of harvested wood but also of the maintenance of relatively high prices of the primary wood resource.

The economic environment for the wood industry remains with many risks and negative developments:

- The Forestry Code in the process of approval - no solutions to the transition to shaped wood;
- the entry into force of the EUDR;
- increased pressure for the extension of the surface of protected areas/strict protection areas;
- weaker demand in several export markets for wood products and a reduction in domestic demand for firewood.

In 2023, timber exports, compared to 2022, decreased by about 30% (imports by 40%).

This autumn's auctions for the sale of standing timber will deepen the mentioned phenomenon.

The general picture presented characterizes Romania in terms of production and trade of wood products in the 2023-2024 reporting year.





General economic information				
	Unit	2023	2024	2025
Population (million)	million	48,6	49,2	49,9
GDP Growth (%)	%	2,5	2,3	1,8
Inflation Rate (%)	%	3,5	3,4	1,9
Unemployment Rate (%)	%	12,2	11,5	11,1
Construction industry				
Building permits (units)	units	n.a.	n.a.	n.a.
Housing starts (units)	units	107.934	110.524	111.060
Housing completions (units)	units	85.566	87.619	88.458
Wage development (%)				
	% vs previous year	5,2	3,7	3,0
Average working time in sawmilling (h/week)				
	h/week	n.a.	n.a.	n.a.

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	2.523	2.573	2.603
Imports	1.000 m ³	931	960	974
Exports	1.000 m ³	140	145	147
Consumption	1.000 m ³	3.314	3.388	3.430

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	n.a.	n.a.	n.a.
Imports	1.000 m ³	369	378	385
Exports	1.000 m ³	308	309	309
Consumption	1.000 m ³	n.a.	n.a.	n.a.

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	n.a.	n.a.	n.a.
Chips production	1.000 m ³	n.a.	n.a.	n.a.
Bark production	1.000 m ³	n.a.	n.a.	n.a.
Pellets production	1.000 t	n.a.	n.a.	n.a.

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	n.a.	n.a.	n.a.

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	n.a.	n.a.	n.a.

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", "increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	n.a.	n.a.
Energy	% vs previous year	n.a.	n.a.
Transport	% vs previous year	n.a.	n.a.

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", "increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	n.a.	n.a.
Chips	% vs previous year	n.a.	n.a.
Sawdust	% vs previous year	n.a.	n.a.

Source: Asociación Española del Comercio e Industria de la Madera (AEIM)

Spanish Market Report 2024

National economy. General economic situation

GDP grew by 0.8% in the second quarter of this year, point more than expected. Domestic demand and the foreign sector contributed three and five tenths of a percentage point, respectively, to growth. Nevertheless, last indicators in July and August, may suggest a cooling of the economy.

The average estimate for the year as a whole stands at 2,5%.

Inflation rate continued to decline at a faster pace than expected in July and August, thanks to the fall in energy prices and moderation in food prices. Core inflation also performed slightly better than expected, although in the case of services inflationary pressures remain considerable.

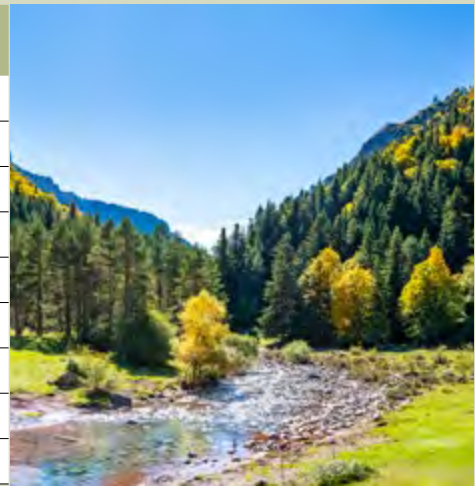
General rate is expected to turn upwards in the coming months, ending December at 3.4%.





General information. Indicators&Forecasts

	2023	2024 (forecast)	2025 (forecast)
Population (million)	48.610.458	49.265.000	49.910.000
GDP growth (%)	2,5	2,3	1,8
Inflation rate (%)	3,5	3,4	1,9
Unemployment rate (%)	12,2	11,5	11,1
Construction industry			
Housing Starts (Units)	107.934	110.524	111.060
Housing completions (units)	85.566	87.619	88.458
Wage development (%)	5,2	3,7	3
Exchange rates (Euro/Dóllar)	1,082	1,081	1,184



Outlets for Timber. Construction and others.

Demand in the packaging and pallet industry is lower than in previous years. Car components industry as well as machinery are suffering in Spain and therefore the need of wooden packaging is lower than in previous years. Wine packaging is also not doing better as demand is lower and inventories are high. DIY is not performing better, the end consumer has less money to spend due to the rise of cost living, preferring to spend money in travelling, going out for dinner or to other places. 60% of DIY suppliers say that sales are lower than expected.

Building is slightly growing and there is a lack of new homes as in the last 10 years the new demand of homes has been much bigger than the completion of new homes. In addition to that, the use of wood

(mainly CLT) in new homes is growing faster than the building activity. There's also a trend to use wooden cladding in single houses.

Joinery is growing as there are government funds for home owners to reduce the CO2 emissions thanks to better isolation. This policy is helping the sales of wooden windows and doors.

Another driver of the growth in Spain is the tourism activity and that means hotels, apartments, camping areas, restaurants and so on. The impact of the demand is affecting both renovation and new buildings specially along the coast and the islands. The main demand goes for camping mobil-homes, beaches arrangements, terraces, gazebos, and so on.





Transactions. Imports of sawn softwood. 2023

Spanish imports of sawn softwoods during the whole year 2023 reached an amount (in volume) of **931.048 m³**, which means a remarkable decrease of nearly **21%** over 2022. This figure is lower than forecast we made last year at the Vienna Conference, with an estimate of 1.048 thousand m³.

Sawn softwood imports. Main supplying countries. January – June. 2023 / 2024. In volume m³ & value. 1.000 Euros/CIF.

COUNTRY	Volume M ³			Value Import. (1.000 € /CIF)	
	2023	2024	%	2023	2024
France	120.084	161.370	34,4%	20.441	23.212
Portugal	77.402	90.933	17,5%	15.263	14.607
Germany	94.220	79.983	-15,1%	21.039	20.034
Sweden	61.653	65.629	6,4%	17.385	18.620
Finland	40.734	32.538	-20,1%	11.176	9.546
Lithuania	37.273	23.100	-38,0%	6.428	3.801
Austria	13.691	21.437	56,6%	4.159	6.126
Brazil	13.150	11.494	-12,6%	3.577	2.844
Chile	16.540	8.967	-45,8%	4.655	1.661
Poland	6.244	8.200	31,3%	2.287	2.893
Latvia	7.756	7.825	0,9%	2.360	2.057
New Zeland	7.148	6.050	-15,4%	3.870	3.198
Estonia	7.444	5.253	-29,4%	2.714	2.106
Belgium	5.329	4.448	-16,5%	1.110	944
Italy	3.175	3.454	8,8%	1.687	1.632
Netherlands	4.329	2.819	-34,9%	5.034	3.351
USA	2.715	2.263	-16,6%	1.448	1.114
Czech Republic	2.391	1.260	-47,3%	815	364
Uruguay	466	1.228	163,2%	205	308
Argentina	846	1.174	38,8%	320	320
Romania	1.321	1.023	-22,6%	699	654
Ukraine	223	269	20,6%	143	79
Others	1.284	1.467	14,3%	838	1.355
Total	525.418	542.184	3,2%	127.654	120.827

Forecasts.

Provisional import figures for sawn softwood for the first half of this year show a slight increase of 3.2% compared to the same period last year. Keeping this trend for the second half of the year, estimates for the whole year 2024 could be around **960,000 m³**. Forecasts for 2025 point to a slight increase of around 1.5%. This trend would mean a total import for 2025 of around **974,000 m³**.

Summary of sawn softwood statistics. In volume. 1.000 m³

	Actual 2023	Estimate 2024	Forecast 2025
Domestic production	2.523	2.573	2.603
Imports	931	960	974
Exports	140	145	147
Consumption	3.314	3.388	3.430





SWEDEN Producer

General economic information				
	Unit	2023	2024	2025
Population (million)	million	10,6	10,6	10,6
GDP Growth (%)	%	-0,8	0,2	2,2
Inflation Rate (%)	%	8,6	2,9	2,0
Unemployment Rate (%)	%	7,7	8,4	8,2
Construction industry				
Building permits (units)	units	29.800	25.000	n.a.
Housing starts (units)	units	32.000	27.000	32.000
Housing completions (units)	units	69.000	39.000	26.000
Wage development (%)				
	% vs previous year	3,8	3,8	3,6
Average working time in sawmilling (h/week)				
	h/week	n.a.	n.a.	n.a.

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	17.800	17.100	17.600
Imports	1.000 m ³	610	600	500
Exports	1.000 m ³	14.000	13.000	13.500
Consumption	1.000 m ³	4.410	3.900	4.600

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	34.300	n.a.	n.a.
Imports	1.000 m ³	1.300	1.300	1.000
Exports	1.000 m ³	450	250	400
Consumption	1.000 m ³	n.a.	n.a.	n.a.

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	n.a.	n.a.	n.a.
Chips production	1.000 m ³	n.a.	n.a.	n.a.
Bark production	1.000 m ³	n.a.	n.a.	n.a.
Pellets production	1.000 t	n.a.	n.a.	n.a.

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	2	2	2

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	n.a.	n.a.	n.a.

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", "increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	33,0%	n.a.
Energy	% vs previous year	n.a.	stable
Transport	% vs previous year	estimate: -5 -10%	increasing

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", "increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	6,0%	Stable
Chips	% vs previous year	n.a.	n.a.
Sawdust	% vs previous year	n.a.	n.a.

Source: SFIF - Swedish Forest Industries Federation

Swedish Market Report 2024

2024 has been a year of fading hope. Expectations in the market, since the beginning of the year, have been those of a soon-to-be, or even, imminently improving market. An improvement which has been just-out-of-reach since the beginning. Now inflation and interest rates have begun to normalize, providing the right circumstances for the 'improved market' to finally arrive. There might however still be some wait needed. Looking forward, while it has proven to be a tough year in the industry, there are several other signs that the future is upon us. We have for some years discussed that global supply will struggle to meet a growing demand (long-term) of sawnwood in the world, and we believe that we see the first few signs of that development already now, and that we can expect a different market for the upcoming 15 years to come.

2023 saw Swedish sawmill production decline. More importantly the demand from the domestic market plummeted. Proving to be the lowest in 20 years or more. From a Swedish perspective however, total deliveries remained somewhat more stable, supported by a surprisingly strong export market. Where the exports reached roughly about the same levels as during the highest demand in the pandemic years. For 2024 so far the development has been on a further decline. The domestic market is proving to be even weaker than last year, and exports are also on the decline. While the domestic market will probably end up setting a new rock-bottom, the exports are still not that bad, all things considering. Looking forward the latest forecast for the Swedish building sector is that construction activity will remain at the same low levels for all of 2025 as well. Al-

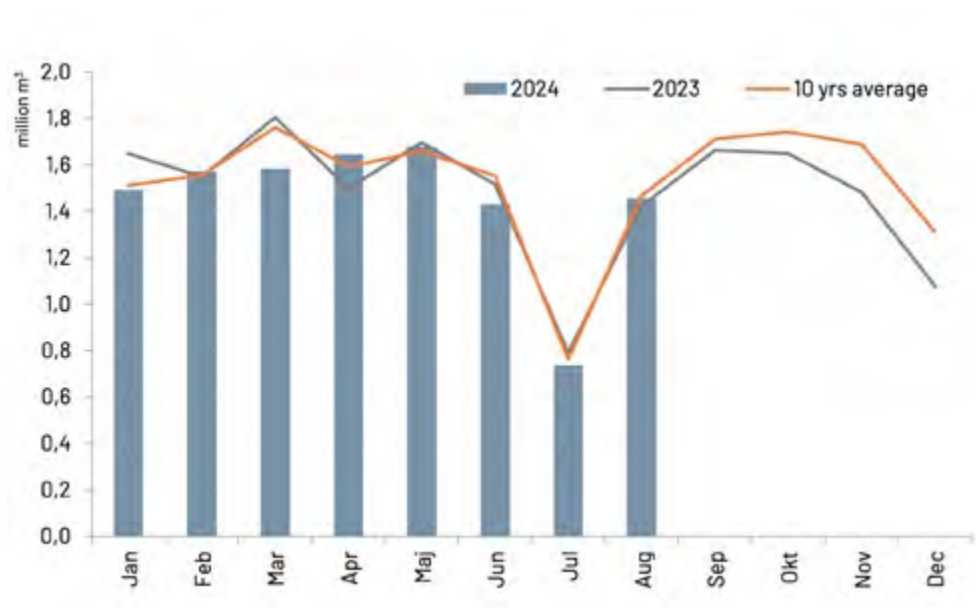




though there are some more recent indicators that might paint a more optimistic picture, they seem to

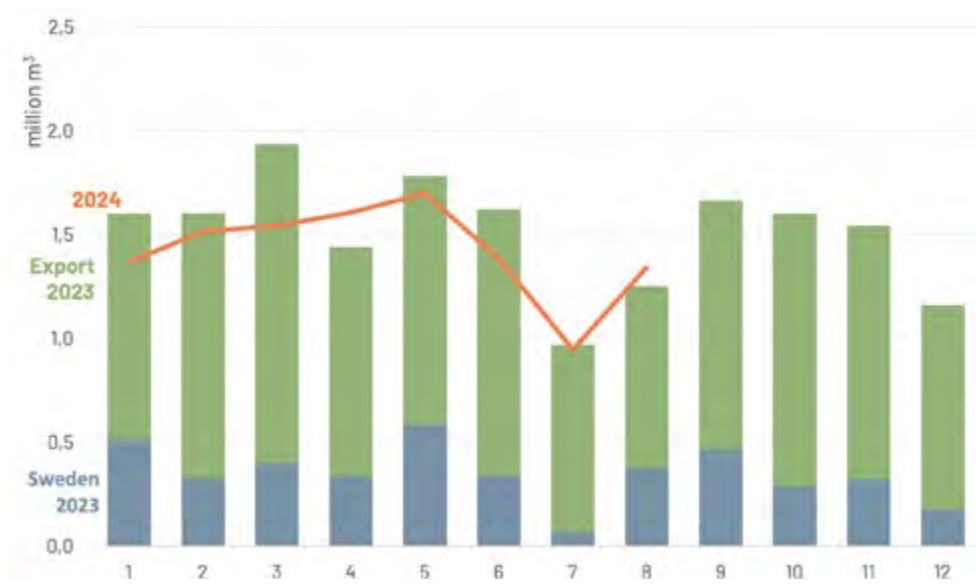
primarily be on market segments with a low share of wood-construction.

Figure 1, Swedish production of sawn softwood 2023



Source: Skogsindustrierna

Figure 2, Deliveries of Swedish sawnwood 2022-2023, domestic and export markets



Source: Skogsindustrierna





Figure 3, Swedish sawnwood export price index



Source: Skogsindustrierna and Statistics Sweden



During the spring there was a large optimism in the Swedish industry. Expectations were that inflation rates coming down would lead to quickly lowered interest rates, which in turn would kick-start the economy and drive demand again. Although inflation and interest rates certainly have started to come down, the effect on the market is still fairly low. And the realization has started to set that it will likely take some more time still, before demand will actually start to

pick up again. We expect that the return to normal in the economy and the construction sector will still take some time, and have a low expectation for the rest of the year. During next year we hope that things will start to improve, but are also aware that it might still take until at least spring before any specific triggers appear to improve the situation.

Still interesting to note is that despite the slow de-



mand sawnwood prices are fairly strong compared to before the pandemic. Although, the cost levels are even higher and sawmills are struggling to remain profitable. I believe that this is an indication that we are now at the beginning of the first few steps towards the future that we were expecting, with a globally constrained supply with a growing demand.

As such, going forward we remain in our steadfast conclusion that the future will be good for sawnwood and Swedish (and European) sawmills; We have for a while expected that looking even further on a 5-10 year time frame. Developments are still that of an increasing global demand for sawnwood. While supply is expected to remain stable, or in many regions

decreasing. Our expectations are that within that timeframe we will see a good demand for Swedish sawnwood but perhaps a shift of Swedish exports from other overseas market to be more focused on European and US markets in the future. With the latest developments on the global sawnwood markets, with high-ish sawnwood prices, despite a terrible demand. We believe that we are seeing the first few signs that the expected future that we saw before us, now is upon us.

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SWITZERLAND Producer

General economic information				
	Unit	2023	2024	2025
Population (million)	million	8,9	9,0	9,1
GDP Growth (%)	%	1,3	1,2	1,4
Inflation Rate (%)	%	2,1	1,9	1,1
Unemployment Rate (%)	%	2,0	2,3	2,5
Construction industry				
Building permits (units)	units	n.a.	n.a.	n.a.
Housing starts (units)	units	n.a.	n.a.	n.a.
Housing completions (units)	units	n.a.	n.a.	n.a.
Wage development (%)				
	% vs previous year	1,7	1,9	1,6
Average working time in sawmilling (h/week)				
	h/week	42,5	42,5	42,5

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	1.150	1.127	1.161
Imports	1.000 m ³	275	300	280
Exports	1.000 m ³	187	185	185
Consumption	1.000 m ³	1.238	1.242	1.256

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	2.031	1.990	2.050
Imports	1.000 m ³	45	50	50
Exports	1.000 m ³	152	150	150
Consumption	1.000 m ³	1.924	1.890	1.950

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	244	239	246
Chips production	1.000 m ³	569	557	574
Bark production	1.000 m ³	203	199	205
Pellets production	1.000 t	341	330	340

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	4	4	4

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	33	33	33

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", increasing			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	-15,5%	stable
Energy	% vs previous year	20,0%	stable
Transport	% vs previous year	4,2%	stable

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", increasing			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	-6,9%	stable
Chips	% vs previous year	-2,4%	stable
Sawdust	% vs previous year	10,8%	stable

Source: HIS- Holzindustrie Schweiz

Swiss Market Report 2024

Fortunately, the log shortage feared at the beginning of the year did not materialise in the summer. Swiss sawmills are currently sufficiently supplied with round wood. However, there is a partial shortage of high-quality spruce and fir logs, while there is an oversupply of lower-quality logs. The index for round wood logs has been very stable since January, recording a small overall decline of -0.2% for spruce and -1.3% for fir.

Due to the economic slowdown and declining construction activity in neighbouring countries - and reinforced by the historically weak euro - large quantities of pallets and side products were imported into Switzerland at dumping prices. The index for sawn timber (spruce/fir) has been very stable since January and recorded a small overall decline of -1.0 %.

In the Swiss construction industry, turnover stagnated in the first half of 2024, while incoming orders declined slightly. This is shown by the latest figures from the Swiss Association of Builders (SBV). Far too few flats are being built due to numerous oppositions, the association writes in its communiqué. There are still hardly any signs of an increase in housing supply in Switzerland - despite interest rates falling again and the halt in construction inflation. This is confirmed by Raiffeisen economists.

Despite the general slowdown in the construction industry, Swiss timber construction companies have so far recorded high capacity utilisation until autumn 2024.





General economic information				
	Unit	2023	2024	2025
Population (million)	million	67,7	68,0	n.a.
GDP Growth (%)	%	0,1	0,7	1,5
Inflation Rate (%)	%	4,2	2,2	2,0
Unemployment Rate (%)	%	3,8	4,1	n.a.
Construction industry				
Building permits (units)	units	n.a.	n.a.	n.a.
Housing starts (units)	units	177.470	157.378	176.665
Housing completions (units)	units	n.a.	n.a.	n.a.
Wage development (%)				
Wage development (%)	% vs previous year	n.a.	n.a.	n.a.
Average working time in sawmilling (h/week)				
Average working time in sawmilling (h/week)	h/week	n.a.	n.a.	n.a.

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	2.860	2.860	2.860
Imports	1.000 m ³	5.722	5.572	5.872
Exports	1.000 m ³	120	120	120
Consumption	1.000 m ³	8.462	8.312	8.612

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	n.a.	n.a.	n.a.
Imports	1.000 m ³	n.a.	n.a.	n.a.
Exports	1.000 m ³	n.a.	n.a.	n.a.
Consumption	1.000 m ³	n.a.	n.a.	n.a.

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	n.a.	n.a.	n.a.
Chips production	1.000 m ³	n.a.	n.a.	n.a.
Bark production	1.000 m ³	n.a.	n.a.	n.a.
Pellets production	1.000 t	n.a.	n.a.	n.a.

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	n.a.	n.a.	n.a.

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	n.a.	n.a.	n.a.	n.a.

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", increasing			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	n.a.	n.a.
Energy	% vs previous year	n.a.	n.a.
Transport	% vs previous year	n.a.	n.a.

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", increasing			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	n.a.	n.a.
Chips	% vs previous year	n.a.	n.a.
Sawdust	% vs previous year	n.a.	n.a.

Source: Timber Development UK

British Market Report 2024

Very recent housing starts data supplied by the Ministry of Housing, Communities, and Local Government have provided a final total for 2023 of 177,470 for the UK, lower by 15%. The 2023 development by quarter was distorted in Q2 2023 by the race to register starts before (costly) changes to building regulations. Work did not necessarily commence for many of these registrations and starts for Q3 and Q4 2023 were at historically low levels. This recent release also provides a total for Q1 2024 of 29,820 starts, which is 39% below Q1 2023.





Housing starts in England account for around 85% of all UK starts therefore the overall development in the UK tends to be guided by activity in England. The pattern in England is consequently very similar to that of the UK. In round terms, starts in England in 2023 at 150,000 were 15% below the total of 2022. As with the UK totals, the Q1 2024 starts in England were 39% lower than in Q1 2023. The Q4 2023 total of 16,460 starts was the lowest quarter in England for over 50 years and the Q1 2024 total was the lowest Q1 total since the recession of 2008/2009.

The other three nations of the UK, accounting for around 15% of UK starts in 2023, experienced mixed fortunes. Housing starts in Scotland at around 16,500 were 22% lower in 2023 over 2022 and into 2024, Q1 2024 starts in Scotland are at a very similar level as in Q1 2023.

In Northern Ireland in 2023, housing starts were just short of 6,000 which was a 12% reduction over 2022. The year 2024 started better in Northern Ireland with starts 16% higher in Q1 2024 compared to Q1 2023.

In Wales, starts in 2023 were 22% higher than in 2022 but following a relatively high Q4 2023, Q1 2024 recorded the lowest number for over 50 Years. NB: The Q1 2022 number is estimated.

The number of housing starts is set to improve in

2025. Adding the estimated annual total for Northern Ireland to the Construction Products Association's (CPA) Summer Forecast total for 2024 and 2025 and presenting an estimated quarterly development*, the forecast of housing starts for 2024 reveals an 11% reduction over 2023 but growth is predicted to return in 2025 with an increase of 12% over 2024. For 2024 however, the UK actual for Q1 is already behind the quarterly forecast for Q1, consequently there would need to be a strong finish to the year for the 2024 forecast of 157,378 to be met.

The construction industry and housing in particular are important markets for timber products and especially softwood imports. There is a good correlation between housing starts and softwood imports and even during the most turbulent period of the Covid pandemic, the exit from the EU and the continuing war in Ukraine, the relationship between the two held good. The indexed chart below presents this relationship from 2010 which shows how softwood imports usually follow a similar pattern of development as housing starts. Although not always so, but for the great majority of the time, softwood imports move in step with housing starts and it can be seen that over the last two years, in 2022 and 2023, both housing starts and softwood import volume have fallen from the most recent high point of 2021.



Indexed UK Housing Starts & Softwood Imports 2010-2023



Sawn softwood imports over the last few years:

000m3	2019	2020	2021	2022	2023	2024 F	2025 F	2024%	2025%
Sweden	2,667	2,711	2,619	2,439	2,766	2,534	2668	-8%	5%
Latvia	1,135	1,290	1,588	1,050	898	988	1,106	10%	12%
Finland	954	878	765	727	773	726	748	-6%	3%
Germany	462	528	802	529	468	431	444	-8%	3%
Ireland	402	362	317	434	417	434	443	4%	2%
Others	464	467	1,076	470	399	381	402	-5%	6%
Russia	309	371	410	28	2				
Total Countries	6,394	6,608	7,578	5,677	5,722	5,493	5,812	-4.0%	5.8%
Total UK	6,394	6,608	7,578	5,677	5,722	5,650	5,912	-1.3%	4.6%
Average of ALL	6,394	6,608	7,578	5,677	5,722	5,572	5,862	-2.6%	5.2%





USA Producer

General economic information				
	Unit	2023	2024	2025
Population (million)	million	335,2	336,9	338,5
GDP Growth (%)	%	2,5	2,5	2,2
Inflation Rate (%)	%	4,1	3,1	2,5
Unemployment Rate (%)	%	3,6	4,0	4,3
Construction industry				
Building permits (units)	units	n.a.	n.a.	n.a.
Housing starts (units)	units	1.421.417	1.375.417	1.477.500
Housing completions (units)	units	n.a.	n.a.	n.a.
Wage development (%)				
	% vs previous year	5,2	5,4	3,9
Average working time in sawmilling (h/week)				
	h/week	n.a.	n.a.	n.a.

Sawn softwood				
	Unit	2023	2024	2025
Production	1.000 m ³	63.411	62.143	62.732
Imports	1.000 m ³	26.410	26.146	27.188
Exports	1.000 m ³	2.244	2.426	2.477
Consumption	1.000 m ³	87.577	85.862	87.443

Softwood logs				
	Unit	2023	2024	2025
Production	1.000 m ³	150.492	140.482	143.936
Imports	1.000 m ³	595	631	619
Exports	1.000 m ³	4.723	4.475	4.578
Consumption	1.000 m ³	146.364	136.638	139.977

By-Products				
	Unit	2023	2024	2025
Sawdust production	1.000 m ³	n.a.	n.a.	n.a.
Chips production	1.000 m ³	n.a.	n.a.	n.a.
Bark production	1.000 m ³	n.a.	n.a.	n.a.
Pellets production	1.000 t	9.821	9.611	10.043

Availability of logs				
(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)				
	Unit	2023	2024	2025
Softwood	Range 1-5	3	3	3

Capacity increases/decreases				
	Unit	2023	2024	2025
Softwood	1.000 m ³	4.052	833	982

Cost development (%)			
2025 vs 2024 cost developments can be estimated as "stable", "decreasing", "increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Softwood logs	% vs previous year	-4,4%	-3,5%
Energy	% vs previous year	-2,8%	0,3%
Transport	% vs previous year	6,8%	4,2%

Price development (%)			
2025 vs 2024 price developments can be estimated as "stable", "decreasing", "increasing"			
	Unit	2024 vs 2023	2025 vs 2024
Sawn softwood	% vs previous year	-10,7%	7,7%
Chips	% vs previous year	-10,0%	16,4%
Sawdust	% vs previous year	-15,3%	4,5%

Source: Forest Economic Advisors

USA Market Report 2024

2024 has seen weak wood-product markets, and FEA anticipates continued weakness through the rest of 2024, with a gradual recovery beginning in 2025.

Market sentiment has turned pessimistic on the overall US economy recently, with many experts predicting a recession. Several indicators support this view: the New York Fed's model suggests a 56% chance of a recession in the next year, the Conference Board's leading indicators have been consistently declining, and consumer savings have dwindled. Additionally, the Federal Reserve's aggressive interest-rate hikes are starting to affect the economy, and the Sahm indicator, a reliable recession predictor, is flashing warning signs.





However, our base forecast remains cautiously optimistic. Travel spending is up, corporate bonds indicate low default risk, and household finances are generally healthy. Low fixed-rate mortgages are also providing some stability. While a recession is still possible, the economy is currently showing resilience, with strong GDP growth in the second quarter of 2024, and the Atlanta Fed's GDPNow estimate for 2024Q3 is at 2.1%.

We expect real GDP will fall below trend in late 2024 and early 2025 and then start growing at about a 2.5% pace over the remainder of 2025.

After a brief surge earlier this year, inflation is again trending lower. Several factors suggest this will continue: slower economic growth, resolved supply-chain issues, tighter monetary policy, and a stabilizing housing market. Wage growth, a key driver of inflation, also appears to be moderating. As a result, we expect inflation will drop to 2.9% in 2024 and 2.3% in 2025.

With economic activity and inflation cooling, we expect the US Federal Reserve to enact ¼-point rate cuts in September, November, and December 2024 and to cut rates by another 75 basis points in the first half of 2025. There are several reasons for this, including the following: real interest rates are high, the job market is cooling down, and inflation is steadily declining.

US housing starts declined nearly 10% from 2023Q4 to 2024Q2. We anticipate a bottom soon, with only a slight dip projected for Q3. While the Federal Reserve's anticipated interest-rate cuts starting in September should stimulate demand, affordability challenges remain.

Home prices remain near record highs, and builders face ongoing supply-chain constraints. These challenges will likely offset some of the positive impact from lower interest rates and pent-up demand, moderating growth in housing starts. We forecast housing starts to average 1.37 million units in 2024 and 1.48 million units in 2025.





Domestic consumption will fall in 2024 before slowly recovering end-use markets nudge consumption higher in 2025. Lower prices and consumption will cause imports to slip some in 2024–25; the same factors will push exports higher. However, weak demand in the US's traditional export markets of China and Japan will limit growth in exports. Putting it all together, demand on North American mills (consumption plus imports minus exports) will slip 2% in 2024 before edging up 2% in 2025.

US log and sawtimber production will slip in 2024 with falling consumption. As the US economy and end-use markets recover in 2025, stronger sawtimber demand will push US log and sawtimber production higher for the year. Residual production (sawdust, chips, and bark), which is driven by sawtimber production, will follow a similar pattern.

There is a sharp divergence in US log supply: the US South has significant excess supply, while the US West Coast's supply is contracting and the US Inland West is stable. This pattern will persist over the next 12–18 months.

The US saw tremendous growth in capacity in 2023, driven by high profitability in 2020–22 and excess timber supply in the US South. Despite the demand outlook, capacity expansion, particularly in the US South, is expected to continue as investments that

have already been started are completed. However, closures in other regions, driven by fiber-supply constraints and weaker demand, will limit overall capacity growth to just 1% in 2024–25.

Falling demand and prices are putting downward pressure on US sawtimber production costs. We anticipate costs will slip 5% in 2024. With demand and prices edging higher in 2025, we expect the decline in costs will slow to 2% for the year.

While production costs are slipping, transportation costs to bring the sawtimber to market are rising. Logistics companies have seen significant wage pressure from tight labor markets and strikes. These factors will push transportation costs up 7% in 2024 and an additional 4% in 2025.

Weak demand, falling production costs, and significant capacity curtailments will push sawtimber prices 11% lower in 2024. With a nascent recovery in the US economy and end-use markets, demand for sawtimber will increase. This will drive sawtimber prices 8% higher in 2025.

While we expect prices to trend lower in 2024 and higher in 2025, weak demand, low dealer inventory levels, and low mill production will continue to contribute to market volatility throughout the forecast period.







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