71st
International
SOFTWOOD CONFERENCE
Vienna 2023, 11th – 12th October

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European
Timber
Trade
Federation

EOS
EUROPEAN ORGANISATION
OF THE SAWMILL INDUSTRY

MARKET SURVEY

www.isc2023.com

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Note 1: the following information, tables and graphs are based on information supplied by the 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 data base.

Note 2: all data for 2023 are prognoses. Forecasts given for 2024.

Information collection: Diego Benedetti, EOS

SOFTWOOD PRODUCTION

Development of Softwood Production (1000 m³) - by region

	2021	2022	2023	2024
EUROPE (ISC)	97.709	92.630	84.629	83.105
North America	103.627	100.719	98.076	98.991
TOTAL	201.337	193.349	182.705	182.096

Fig. 1. Production Changes in %, 2020-2024
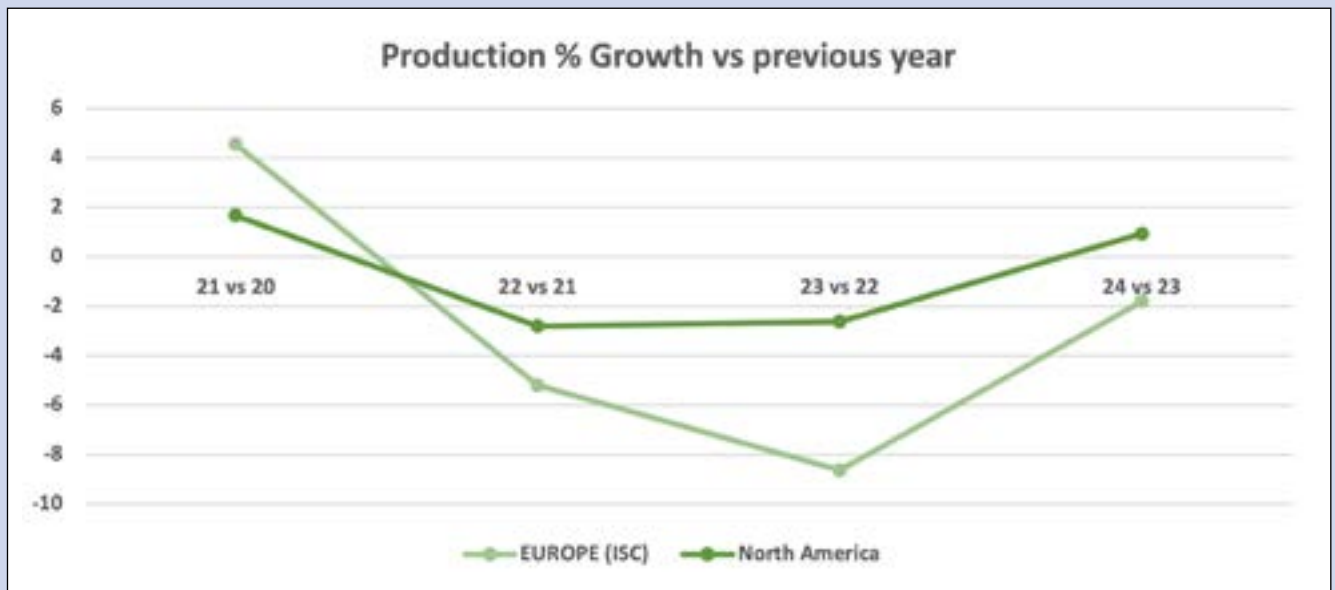
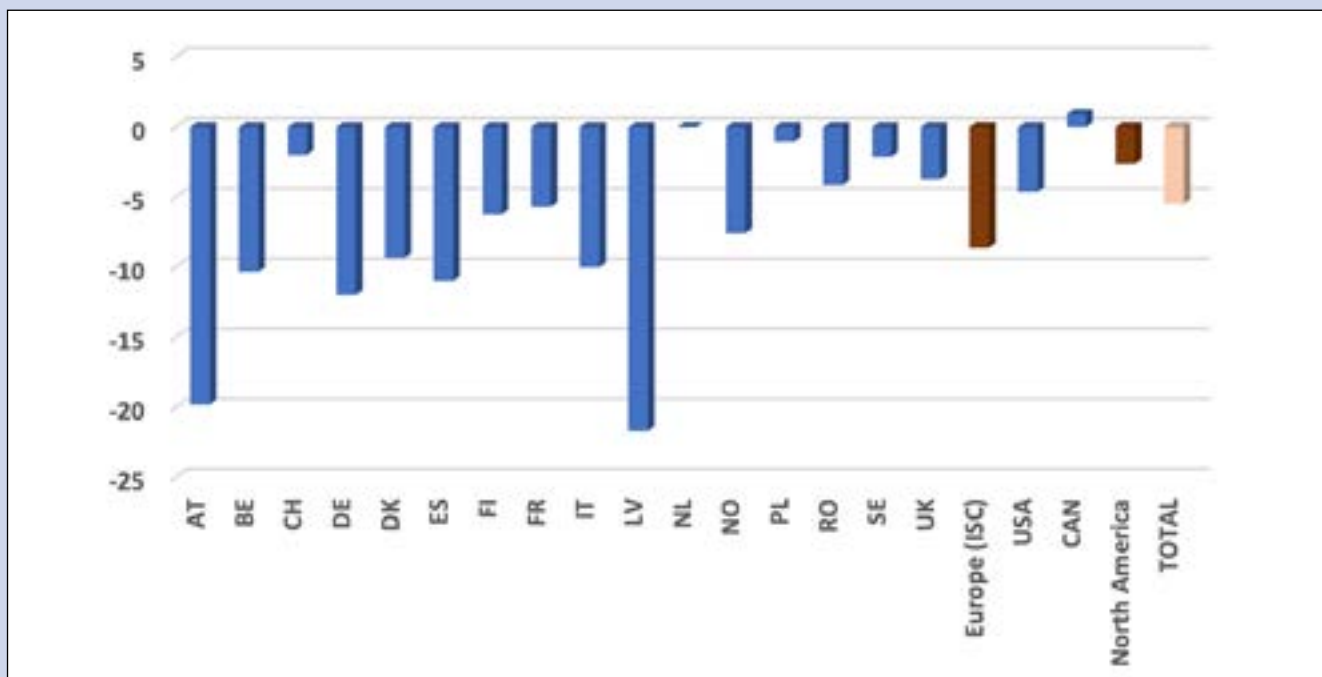**Fig. 2. Development of Softwood Production 2014-2024**

EOS/ETTF MARKET SURVEY 2023
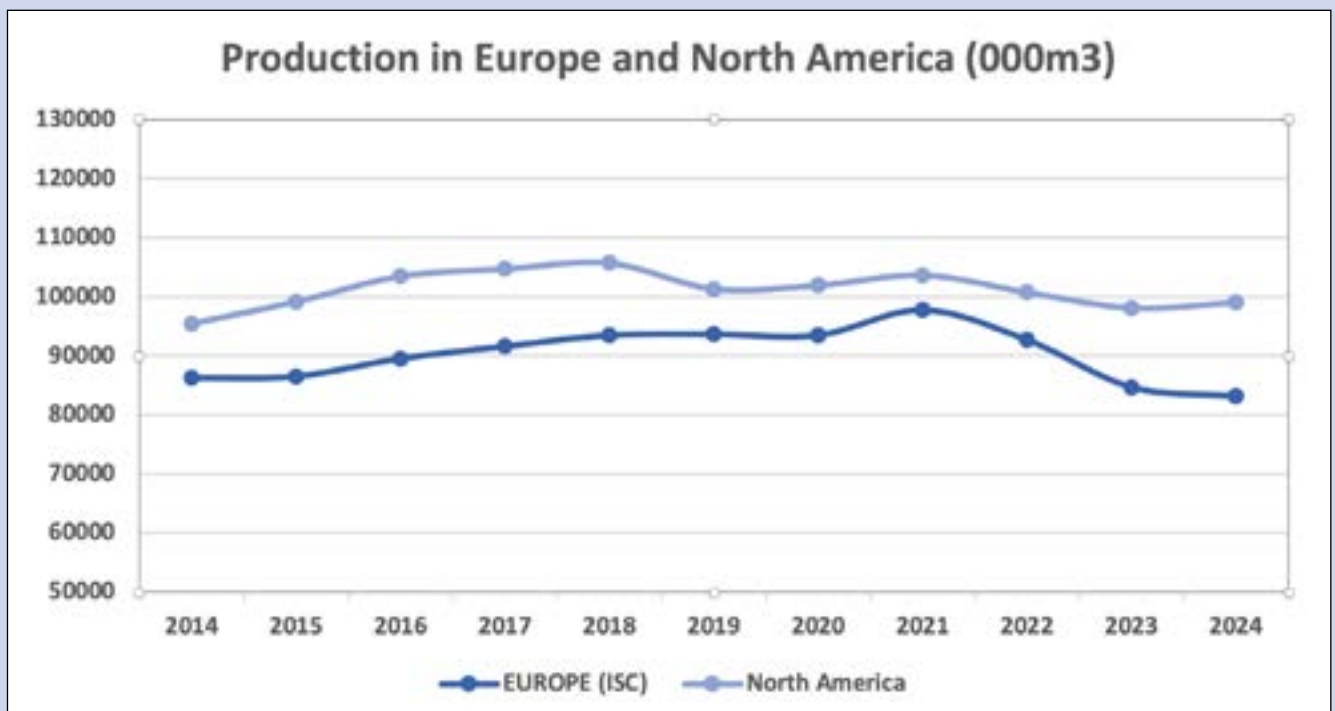
Development of Softwood production (1000 m³) - by country

Country	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AT	8.215	8.605	9.250	9.650	10.200	10.343	10.339	10.582	10.100	8.100	8.100
BE	1.520	1.500	1.400	1.350	1.450	1.450	1.460	1.500	1.450	1.300	1.250
CH	1.080	1.060	1.074	1.037	1.078	1.077	1.114	1.196	1.195	1.171	1.183
DE	20.757	20.434	21.109	22.050	22.780	23.505	25.216	25.313	24.309	21.400	19.800
DK	294	352	310	360	324	331	360	400	375	340	350
ES	1.665	2.062	1.821	2.375	2.496	2.536	2.391	2.873	1.818	1.618	1.602
FI	10.900	10.600	11.400	11.700	11.800	11.354	10.900	11.900	11.200	10.500	11.000
FR	6.358	6.223	6.400	6.596	6.795	6.559	6.400	7.000	7.000	6.600	6.000
IT	910	920	950	970	950	900	900	950	950	855	855
LV	2.768	2.690	2.792	2.662	2.730	2.660	2.600	2.700	2.847	2.230	2.250
NL	163	129	126	110	82	80	76	110	115	115	115
NO	2.400	2.444	2.533	2.655	2.675	2.650	2.680	2.811	2.705	2.500	2.500
PL	4.233	4.315	4.356	4.419	4.500	4.443	4.200	4.250	4.144	4.100	4.300
RO	3.704	3.600	4.340	3.600	3.550	3.500	3.000	3.500	2.400	2.300	2.300
SE	17.520	18.100	18.010	18.309	18.300	18.600	18.400	19.050	18.800	18.400	18.300
UK	3.716	3.449	3.624	3.719	3.719	3.617	3.408	3.574	3.221	3.100	3.200
EUROPE (ISC)	**86.203**	**86.483**	**89.495**	**91.562**	**93.429**	**93.604**	**93.444**	**97.709**	**92.630**	**84.629**	**83.105**
USA	53.543	53.785	55.300	57.414	59.332	59.767	62.733	63.401	64.308	61.339	62.800
CAN	41.891	45.362	48.158	47.304	46.370	41.527	39.190	40.227	36.411	36.736	36.191
North America	**95.434**	**99.147**	**103.458**	**104.718**	**105.701**	**101.294**	**101.923**	**103.627**	**100.719**	**98.076**	**98.991**
TOTAL	**181.637**	**185.630**	**192.952**	**196.281**	**199.131**	**194.898**	**195.366**	**201.337**	**193.349**	**182.705**	**182.096**

*Data in the cells highlighted in gold was unavailable so 2023 data was replicated

Fig 3. Sawn softwood production % difference 2023 vs 2022

SOFTWOOD CONSUMPTION

Development of Softwood Consumption (1000 m³) - by region

	2021	2022	2023	2024
EUROPE (ISC)	82.935	73.167	65.395	63.183
North America	102.133	102.830	100.205	101.018
TOTAL	185.068	175.997	165.600	164.201

Fig. 4. Consumption Changes in %, 2020-2024
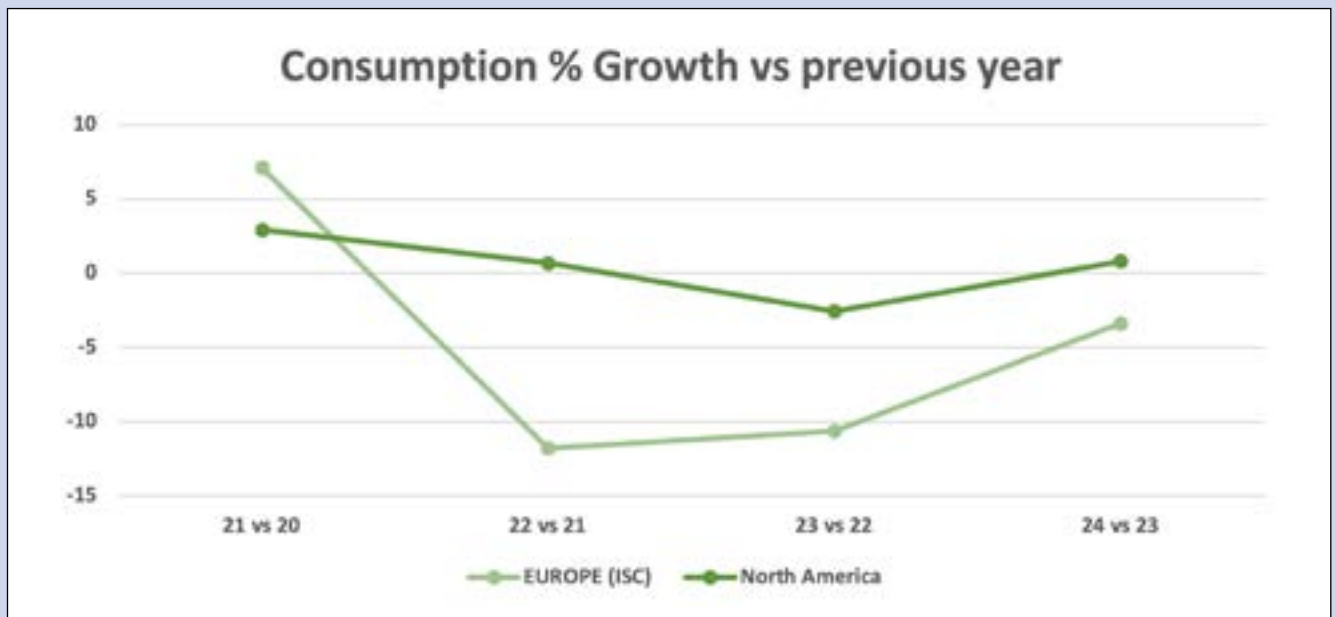
**Fig 5. Development of softwood consumption, 2014-2024**

EOS/ETTF Statistical Questionnaire - International Softwood Conference 2023
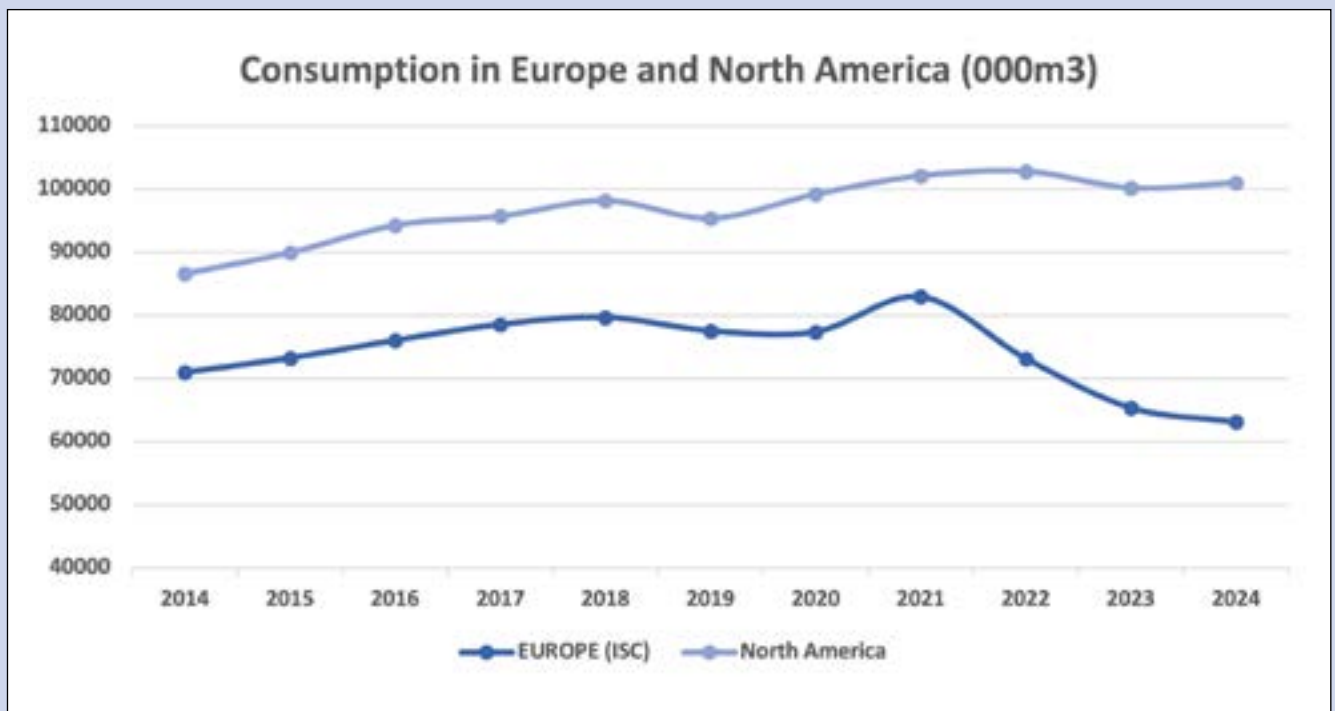
Development of Softwood consumption (1000 m³) - by country

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AT	4.946	5.268	5.756	5.950	6.170	6.064	6.175	6.530	6.137	4.845	4.845
BE	2.120	2.450	2.450	2.600	2.750	2.750	2.760	3.300	2.790	2.600	2.550
CH	1.215	1.190	1.187	1.181	1.213	1.183	1.220	1.281	1.299	1.273	1.286
DE	18.155	18.483	18.729	19.285	19.597	19.416	20.629	20.104	17.294	14.900	13.300
DK	1.489	2.021	1.538	1.520	1.298	1.261	1.520	1.583	1.278	1.190	1.200
ES	2.374	2.788	2.597	3.131	3.270	3.316	3.036	3.537	2.855	2.536	2.511
FI	3.400	3.100	3.200	2.900	3.000	2.506	2.700	3.000	2.300	2.000	2.000
FR	7.758	7.563	7.730	7.917	8.345	8.454	8.118	9.245	9.040	8.200	7.450
IT	4.674	4.642	4.801	4.972	4.718	4.010	3.714	4.230	5.454	4.808	4.808
LV	944	820	832	850	936	839	782	1.039	780	680	650
NL	1.952	2.116	2.210	2.297	2.397	2.238	2.447	2.750	2.259	2.103	2.049
NO	2.858	2.864	2.924	2.986	2.932	2.920	2.864	3.192	2.679	2.170	2.200
PL	4.169	4.339	4.289	4.489	4.580	4.703	4.350	4.350	4.166	4.190	4.350
RO	778	1.016	2.642	2.450	2.800	2.800	2.100	2.000	1.200	1.100	1.100
SE	4.700	5.450	5.500	5.780	5.705	5.500	5.300	5.800	4.900	4.500	4.400
UK	9.488	9.170	9.677	10.279	9.994	9.609	9.703	10.994	8.736	8.300	8.484
EUROPE (ISC)	**71.020**	**73.280**	**76.062**	**78.587**	**79.705**	**77.569**	**77.418**	**82.935**	**73.167**	**65.395**	**63.183**
USA	72.234	74.698	79.586	80.389	82.117	82.214	86.612	88.142	90.282	87.448	88.163
CAN	14.425	15.289	14.719	15.353	16.074	13.193	12.615	13.991	12.548	12.756	12.855
North America	**86.659**	**89.987**	**94.305**	**95.742**	**98.191**	**95.407**	**99.226**	**102.133**	**102.830**	**100.205**	**101.018**
TOTAL	157.679	163.267	170.367	174.328	177.896	172.976	176.645	185.068	175.997	165.600	164.201

*Data in the cells highlighted in gold was unavailable so 2023 data was replicated
**Data in the cells highlighted in grey was unavailable and has been computed by combining production and trade figures

Fig 6. Sawn softwood consumption % difference 2023 vs 2022
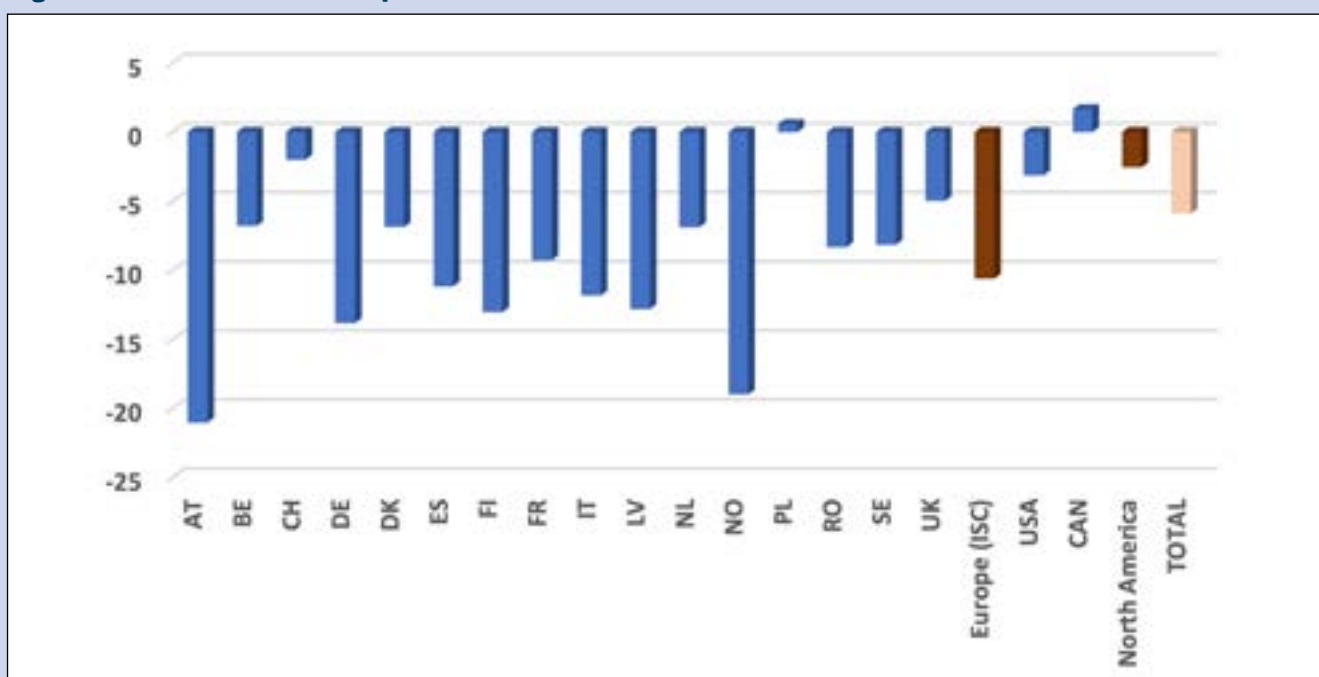
PRICE AND COST DEVELOPMENT

Fig 7. Cost development Softwood logs

■ 2023 V/S 2022
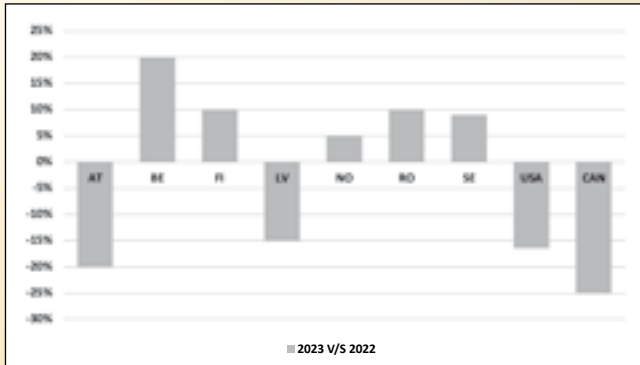
Fig. 10. Price development Sawn Softwood

■ 2023 V/S 2022
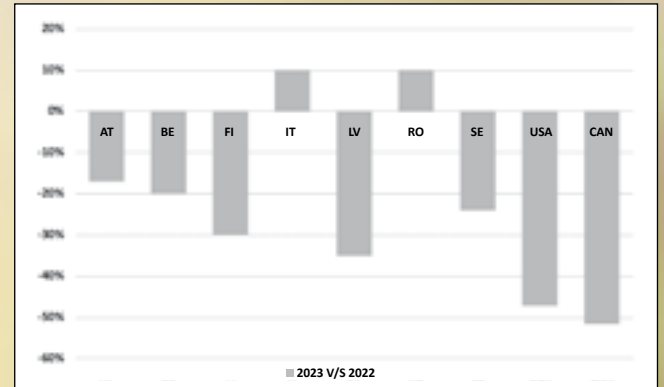
Fig 8. Cost development Energy

■ 2023 V/S 2022
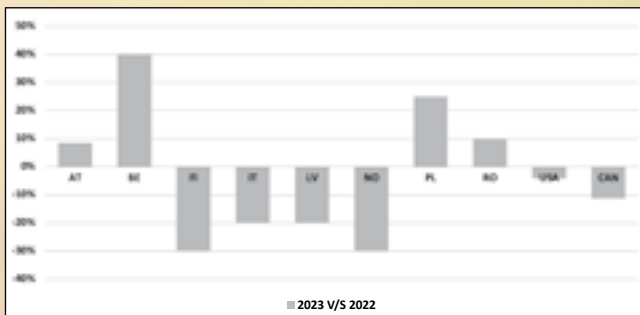
Fig. 11. Price development Chips

■ 2023 V/S 2022
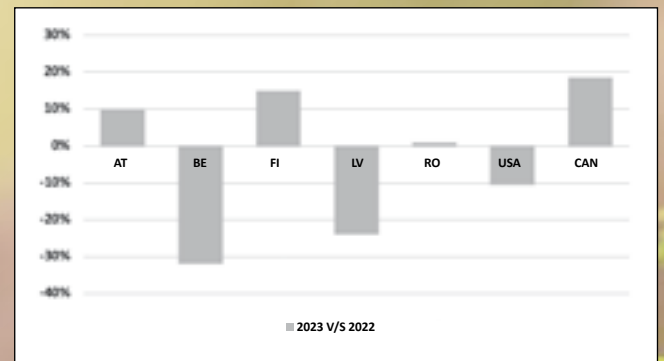
Fig. 9. Cost development Transport

■ 2023 V/S 2022
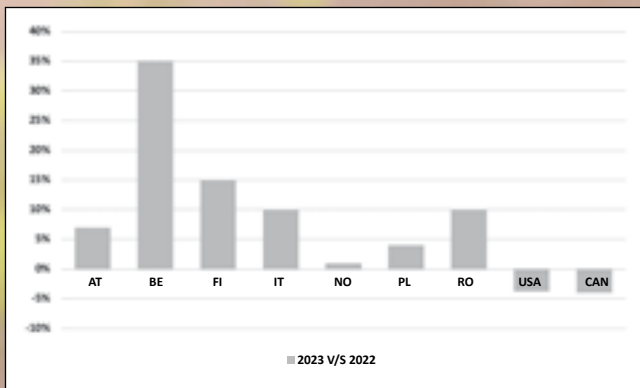
Fig. 12. Price development Sawdust

■ 2023 V/S 2022

EOS/ETTF Statistical Questionnaire - International Softwood Conference 2023
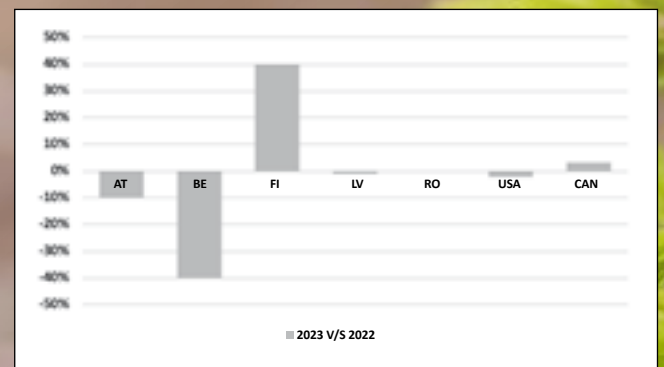
SOFTWOOD LOGS AVAILABILITY

Softwood Logs Availability

COUNTRY REPORTS

CANADA

USA
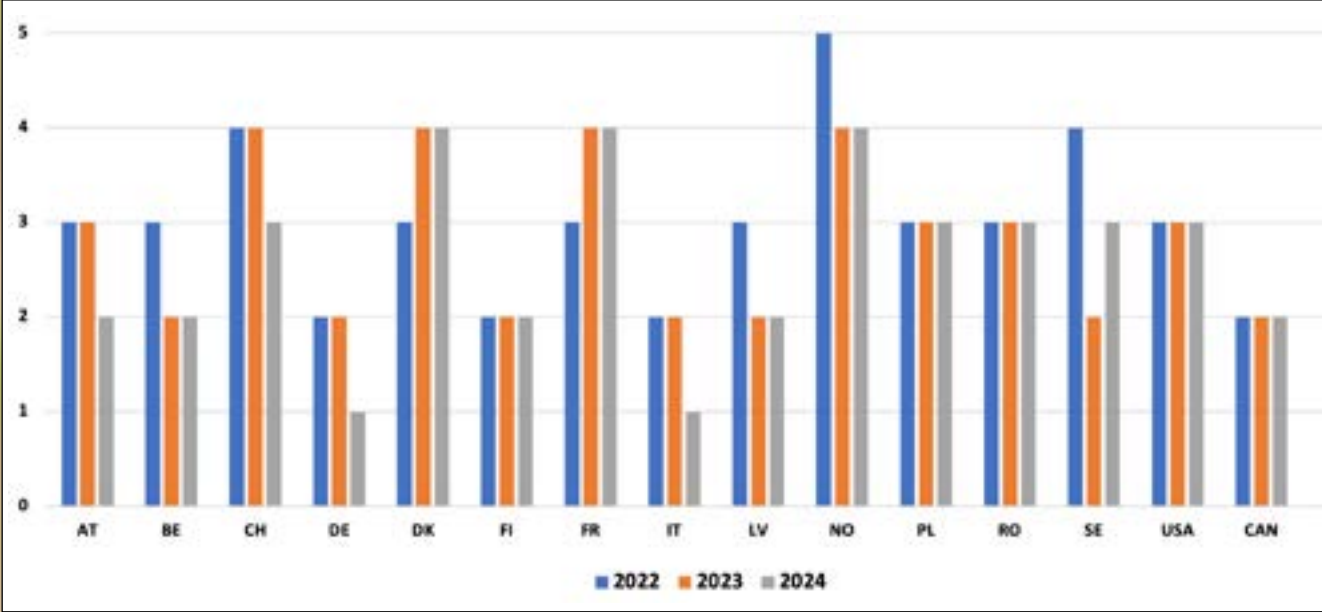
DENMARK

THE NETHERLANDS

NORWAY

SWEDEN

FINLAND

BELGIUM

LATVIA

POLAND

UNITED KINGDOM

GERMANY

FRANCE

ROMANIA

SPAIN

SWITZERLAND

AUSTRIA

ITALY

MOROCCO

EOS/ETTF MARKET SURVEY 2023

AUSTRIA Producer

General economic information

	Unit	2022	2023	2024
Population (million)	million	9,0	9,1	9,2
GDP Growth (%)	%	4,9	0,3	1,4
Inflation Rate (%)	%	8,6	7,5	3,8
Unemployment Rate (%)	%	4,8	4,9	4,7
Construction industry				
Building permits (units)	units	46.900	41.700	41.300
Housing starts (units)	units	50.900	42.100	39.400
Housing completions (units)	units	62.300	55.800	49.600
Wage development (%)	% vs previous year	4,1	9,7	7,5
Average working time in sawmilling (h/week)	h/week	38,5	38,5	38,5

Sawn softwood

	Unit	2022	2023	2024
Production	1.000 m³	10.100	8.100	8.100
Imports	1.000 m³	1.784	1.445	1.445
Exports	1.000 m³	5.747	4.700	4.700
Consumption	1.000 m³	6.137	4.845	4.845

Softwood logs

	Unit	2022	2023	2024
Production	1.000 m³	10.400	9.300	9.000
Imports	1.000 m³	6.680	5.250	5.500
Exports	1.000 m³	913	594	600
Consumption	1.000 m³	16.167	13.956	13.900

By-Products

	Unit	2022	2023	2024
Sawdust production	1.000 m³	3.639	2.900	2.900
Chips production	1.000 m³	3.880	3.100	3.100
Bark production	1.000 m³	1.027	820	820
Pellets production	1.000 t	1.691	1.938	2.050

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	2022	2023	2024
Softwood	Range 1-5	3	3	2

Capacity increases/decreases

	Unit	2022	2023	2024
Softwood	1.000 m³	300	100	0

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Softwood logs	% vs previous year	-20,0	0,0
Energy	% vs previous year	8,5	0,0
Transport	% vs previous year	7,0	0,0

Price development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Sawn softwood	% vs previous year	-17,0	0,0
Chips	% vs previous year	10,0	0,0
Sawdust	% vs previous year	-10,0	0,0

*Source: Fachverband der Holzindustrie Österreichs*

Market Statement

Information about the sawmill industry

The sawmill industry is a robust and crisis-proof sector, but we cannot decouple ourselves from an economic slump and rising inflation. A signal from European and national politics is necessary for a secure raw material flow. The discussion about limiting sustainable forest management must be stopped and we need a clear commitment to sustainable and active forest management in order to tackle climate change in European forests.

More than 1,000 firms are involved in the Austrian sawmill sector. The bulk of them have been in family hands for generations and represent a diverse range of businesses, from global industry leaders to countless small and medium-sized businesses. In Austria, the sawmill sector employs over 6,000 people in rural areas, ensuring regional stability and prosperity. In 2022, the sawmill sector generated 3.7 billion Euro in output.

Production, Export

The high demand of recent years has been followed by a significant drop. This year has seen a significant drop in construction activity and a shortage of orders from the construction industry. As a result, the Austrian sawmill sector will produce much less than in prior years in 2023, probably by up to 20%. Trade is also hampered by a shortage of orders from the construction industry and individual homes. Internationally, the situation is less volatile than it has been in recent years. For example, until June, exports of sawn softwood as the basis for many construction applications were 13% lower than the previous year. Our biggest export markets, Italy and Germany, are ordering less.

HARD AND SOFTWOOD PRODUCTION 2000 - 2023

Production lower than average level
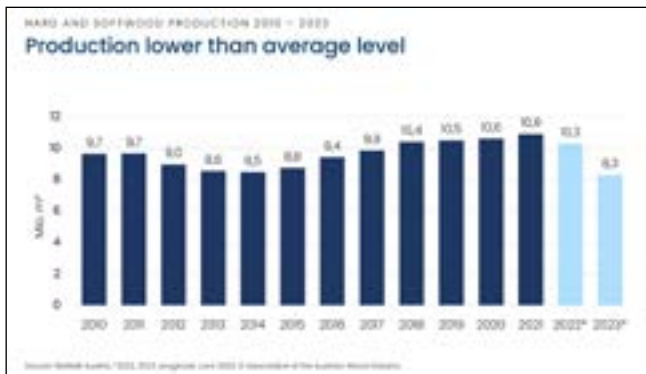
Raw Material Supply

The sawmill industry creates the basis for many possible uses in the domestic value chain of forestry and timber. On average over a ten years period, 15 million cubic metres of sawn logs are sustainably processed in Austria. The sawmills also make their contribution to the processing of damaged wood in different regions.

The narrative that used forests are the best way to protect the climate has been supported by numerous studies and expert reports (e.g. CareforParis, BOKU Vienna, ÖBf's viewpoints on active forest management). It is necessary to manage the forest in order to adapt it quickly to the changed conditions of climate change and to store the carbon in durable wood products.

The damaged timber situation eased slightly in the main areas such as the Czech Republic, Germany and the north of Austria. Isolated areas of damaged wood in the south of Austria and parts of Styria and the huge windthrow in Tirol has been processed quickly. The pressure on forest managers due to the need to clean up damaged wood is generally increasing, as climate extremes are also affecting the forest. Many measures of the government's forest fund (Waldfonds) support managers in the processing of damaged wood areas. The intensive efforts of the government, in cooperation with the FHP partners (Cooperation Platform for forestry, wood and paper), to pursue an active forestry policy are positive.
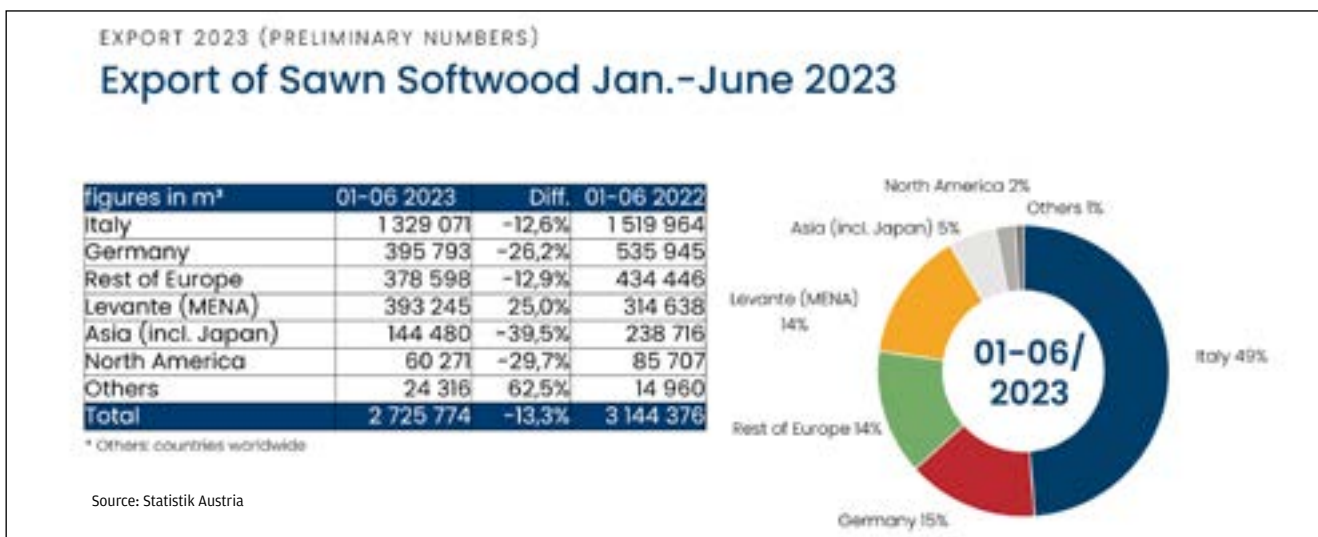
Efforts to combat the crises

We are pushing for active policy actions in light of the construction industry's difficulties. The building industry is vital to the economy and provides numerous jobs. Furthermore, housing demand remains high. It is also a social problem. The timber industry demands that investments in energy-efficient and economical house building, such as new construction, renovation, and re-densification, be made to combat the energy, climatic, and economic crises. Austria's yearly renovation rate is stuck around 1.5 percent, and the political aim of 3 percent has not been met for years. Approximately 70% of residential buildings were constructed before 1990, the majority in the 1970s. As a result, we advocate a renovation blitz with a variety of tools including as tailored incentives, faster access to construction financing, and clear advisory services for households. Wood, as a climate-friendly building material, may make a significant contribution. Building with wood also aids in soil sealing because wood is light and can thus be placed on to existing structures.

Reducing and avoiding bureaucracy is the most cost-effective economic stimulation initiative for the entire economy. Entrepreneurs must focus on their primary business, especially in the current economic climate. New environmental laws, such as the EUDR, have created large bureaucratic monsters at our plant gates and offices. Of course, illicit or unsustainable timber trafficking must be prohibited. To be able to act in conformity with the law, we require clarity and longer SME-friendly timeframes for commerce throughout the EU.

Economic importance of the timber industry

The Economica Institute for Economic Research published detailed research on the value-added effects of the Austrian timber sector in 2021. The data was analysed in the course of a European research effort using uniform criteria across Europe. The updated analysis suggests that the timber business is significantly more important than previously thought. Austria has a wide, sustainable, and locally anchored value-added network ranging from forestry to industry to trade, crafts, and research. The forestry and timber business generates every 13th euro of value added, amounting to up to 28 billion euros. Furthermore, there are around 320,000 jobs along the full value chain, with an annual tax revenue of approximately 12 billion Euro.

EXPORT 2023 (PRELIMINARY NUMBERS)

Export of Sawn Softwood Jan.-June 2023

figures in m³	01-06 2023	Diff.	01-06 2022
Italy	1 329 071	-12,6%	1 519 964
Germany	395 793	-26,2%	535 945
Rest of Europe	378 598	-12,9%	434 446
Levante (MENA)	393 245	25,0%	314 638
Asia (incl. Japan)	144 480	-39,5%	238 716
North America	60 271	-29,7%	85 707
Others	24 316	62,5%	14 960
Total	2 725 774	-13,3%	3 144 376

* Others: countries worldwide

North America 2%
Others 1%
Asia (incl. Japan) 5%
Levante (MENA) 14%
01-06/2023
Italy 49%
Rest of Europe 14%
Germany 15%

Source: Statistik Austria

EOS/ETTF MARKET SURVEY 2023

BELGIUM Producer & User

General economic information

	Unit	2022	2023	2024
Population (million)	million	11,6	11,7	11,7
GDP Growth (%)	%	3,2	1,4	1,3
Inflation Rate (%)	%	10,3	4,4	4,1
Unemployment Rate (%)	%	5,6	5,8	5,6
Construction industry				
Building permits (units)	units	34.546	34.000	33.500
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	8,4	5,2	4,3
Average working time in sawmilling (h/week)	h/week	38	38	38

Sawn softwood

	Unit	2022	2023	2024
Production	1.000 m³	1.450	1.300	1.250
Imports	1.000 m³	2.620	2.700	2.700
Exports	1.000 m³	1.280	1.150	1.100
Consumption	1.000 m³	2.790	2.600	2.550

Softwood logs

	Unit	2022	2023	2024
Production	1.000 m³	3.100	2.800	2.700
Imports	1.000 m³	2.700	2.500	2.500
Exports	1.000 m³	1.500	1.500	1.500
Consumption	1.000 m³	4.300	3.800	3.700

By-Products

	Unit	2022	2023	2024
Sawdust production	1.000 m³	201	180	173
Chips production	1.000 m³	760	681	655
Bark production	1.000 m³	114	102	98
Pellets production	1.000 tonnes	890	1.000	1.050

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	2022	2023	2024
Softwood	Range 1-5	3	2	2

Capacity increases/decreases

	Unit	2022	2023	2024
Softwood	1.000 m³	0	0	-150

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Softwood logs	% vs previous year	20,0	0,0
Energy	% vs previous year	40,0	20,0
Transport	% vs previous year	35,0	20,0

Price development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Sawn softwood	% vs previous year	-20,0	-10,0
Chips	% vs previous year	-32,0	0,0
Sawdust	% vs previous year	-40,0	0,0

Source: Confédération belge du bois + Fedustria

Market Statement

Belgian Producer

As a result of the bark beetle crisis and the subsequent improvement in the market, a lot of softwood logs have been removed from the forest between 2018 and 2022. We are currently seeing a reduction in the supply, leading to significant competition for purchases. However, log prices have fallen slightly, but not enough to offset the fall in the lumber prices. Demand for wood energy remains high, which tends to keep logs prices high.

In 2023, sales in the local timber trade sector were down by around 11% compared with the same period a year earlier (June) in Belgium. The construction sector has been facing a steady decline for more than 12 months in both residential and non-residential building permits, for both new builds and renovations. Mortgage applications have also collapsed.

Belgian User

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

These large stocks provided the Belgian importers with very good corona years: even the old stock could be put on the market at a very good price.

In the meantime, however, we also know that things can change: there is currently too much stock, almost everywhere. This often concerns expensive stock, purchased just before the sharp price drops.

The demand and sale of softwood has not been going as it should for quite some months now, and that causes all kinds of

View from the surrounding hills towards a curve in the river Semois in the Ardennes near Bouillon, Belgium

low prices to circulate in the market. The expensive stock must be sold at any price. Rather today than tomorrow.

Buyers are keeping calm and have learned that the risk of making wrong decisions is much bigger than before, due to the volatile pricing of sawmills in recent years. Prices used to rise or fall by a maximum of 5 or 10 euros, now we've experienced fluctuations between 40 and 80 euros, depending on the sawmill.

As a stockholder, the chance that you'll have to sell your stock with a low margin, or even at loss is now much more present than before.

Belgian customers, timber traders and big consumers only buy in small quantities these days. Only what they can process or sell immediately is purchased.

The Belgian sales representatives on the road feel little enthusiasm from the customers. The daily comings and goings of customers at the counter have come to a standstill...

We may be entering a quiet winter period in terms of trade. Reducing stock as much as possible and taking as many orders as possible is what everyone has in mind.

What next year will bring...I think no one dares to make predictions about that (anymore).

Jeroen Platteau – Vandecasteele Houtimport

CANADA Producer

General economic information

	Unit	2022	2023	2024
Population (million)	million	38,8	39,8	40,4
GDP Growth (%)	%	3,4	1,6	-0,1
Inflation Rate (%)	%	6,8	3,4	2,3
Unemployment Rate (%)	%	5,3	5,3	5,9
Construction industry				
Building permits (units)	units	n.a.	n.a.	n.a.
Housing starts (units)	units	263.262	234.987	212.750
Housing completions (units)	units	n.a.	n.a.	n.a.
Wage development (%)	% vs previous year	5,4	7,9	3,1
Average working time in sawmilling (h/week)	h/week	n.a.	n.a.	n.a.

Sawn softwood

	Unit	2022	2023	2024
Production	1.000 m³	36.411	36.736	36.191
Imports	1.000 m³	700	887	881
Exports	1.000 m³	24.562	24.867	24.218
Consumption	1.000 m³	12.548	12.756	12.855

Softwood logs

	Unit	2022	2023	2024
Production	1.000 m³	103.867	99.238	101.818
Imports	1.000 m³	1.896	2.137	2.216
Exports	1.000 m³	2.444	3.442	3.743
Consumption	1.000 m³	103.319	97.933	100.291

By-Products

	Unit	2022	2023	2024
Sawdust production	1.000 m³	n.a.	n.a.	n.a.
Chips production	1.000 m³	n.a.	n.a.	n.a.
Bark production	1.000 m³	n.a.	n.a.	n.a.
Pellets production	1.000 tonnes	3.867	4.066	4.199

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	2022	2023	2024
Softwood	Range 1-5	2	2	2

Capacity increases/decreases

	Unit	2022	2023	2024
Softwood	1.000 m³	-468	-1667	-1006

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Softwood logs	% vs previous year	-25,0	3,6
Energy	% vs previous year	-11,3	-1,3
Transport	% vs previous year	-4,0	2,8

Price development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Sawn softwood	% vs previous year	-51,6	12,2
Chips	% vs previous year	18,6	-11,4
Sawdust	% vs previous year	3,2	-4,3

Source: Forest Economic Advisors

Market Statement

Forest Economic Advisors (FEA) expects the Canadian economy will slide into a short and shallow recession in late-2023 or early 2024. Our forecast for Canada's post-pandemic economy to weaken comes at a time of tighter credit conditions and a deterioration in home affordability.

We see the country's GDP growth falling to 1.6% this year, down from 3.4% in 2022. In 2024, we forecast it will be negative 0.1% as its unemployment rate nudges up to 5.9%. This compares with the already-low unemployment rates of 5.3% in both 2022 and 2023. The tight labor market combined with soaring inflation enabled many unions to secure higher wages for workers. We peg wage development rising to 7.9% this year, up from an already lofty 5.4% in 2022, and a more modest 3.1% in 2024.

Like in the US, the Canadian government has worked toward bringing down the persistently strong inflation rate by raising interest rates. The impact has been slower than desired but appears to be working. Canada's inflation has dropped from 6.8% last year to an estimated 3.4% this year and we expect it to reach an average of 2.3% by 2024. This will be near the federal government's goal of 2%.

However, higher interest rates have caused financial pain to many homeowners who now face rising mortgage payments at a time of higher prices on essentials such as food and fuel. Most mortgages in Canada are adjusted every five years, meaning that the country's economy will be harder hit by higher interest rates than its neighbor and biggest trading partner: the US. Higher household debt loads are expected to cause more precautionary savings when the economy softens.

While the Canadian homebuilding sector remains relatively robust–and we expect residential construction will continue

Log Booms on Okanagan Lake, British Columbia, Canada

to outperform the overall economy for a few more years—we project that the factors noted above will put the country's housing starts well below underlying demand for 18 to 24 months. FEA forecasts Canadian housing starts to drop 10.7% this year and by another 9.5% in 2024 as household debt is near a record level and raises the expectation for its residential-construction sector to slow down.

In line with this, we expect sawn softwood consumption to be relatively lackluster at 12.9 million m3 next year, up marginally from 12.8 million m3 this year and 12.5 million m3 in 2022. We see production inching down marginally to 36.2 million m3 in 2024 versus 36.7 million m3 this year.

On the other hand, FEA forecasts price development at 12.2% next year after tumbling 51.6% in 2023 versus 2022. One reason for our expectation for price volatility is the US trade restrictions placed on Canadian lumber shipments. When markets are tight, dealers will be willing to pay the full duties and the opposite will be true when the ratio of unfilled orders to stock is low, exacerbating price swings. On Sept. 7 the US Department of Commerce published its amended final results on certain Canadian softwood lumber products at 8.05% for companies in the "all others" category. While this was down from 8.59%, some major producers saw their specified rates rise. Canada has challenged the long-standing dispute—it

believes there should be no duty at all—but this process could take years to resolve.

Meanwhile, we see Canadian sawn softwood exports inching down to 24.2 million m3 in 2024 from 24.8 million m3 this year, as production rises in the US South.

Softwood log production is pegged at 99.2 million m3 this year, down 4.5% from 2022, and we forecast consumption will also dip.

The industry is waiting to see the impact on harvestable timber in the wake of Canada's record-breaking wildfire season this year. More than 1.4 million ha have burned so far in British Columbia, Canada's biggest softwood lumber producing province. The record amount of BC wildfires, which also burned hundreds of homes, came as the province already faced a steady decrease in harvestable timber due to a variety of new government policies and environmental factors.

While roughly 7 million ha—roughly the size of Ireland—have burned across the nation, much of the affected forests were likely not on harvestable land due to their distance from mills or species. It is, however, too soon for estimates on the impact on near-term log supplies as the wildfire season typically lasts through October.

DENMARK Producer & User

General economic information

	Unit	2022	2023	2024
Population (million)	million	5,87	5,92	5,96
GDP Growth (%)	%	3,8	0,6	1,9
Inflation Rate (%)	%	7,6	4,4	3,0
Unemployment Rate (%)	%	2,2	2,4	2,5
Construction industry				
Building permits (units)	units	34.000	24.000	20.000
Housing starts (units)	units	32.500	25.000	20.000
Housing completions (units)	units	40.200	41.000	35.000
Wage development (%)	% vs previous year	3,4	3,4	3,4
Average working time in sawmilling (h/week)	h/week	37	37	37

Sawn softwood

	Unit	2022	2023	2024
Production	1.000 m³	375	340	350
Imports	1.000 m³	1.213	1.150	1.150
Exports	1.000 m³	310	300	300
Consumption	1.000 m³	1.278	1.190	1.200

Softwood logs

	Unit	2022	2023	2024
Production	1.000 m³	1.400	1.200	1.200
Imports	1.000 m³	370	370	370
Exports	1.000 m³	400	300	300
Consumption	1.000 m³	1.370	1.270	1.270

By-Products

	Unit	2022	2023	2024
Sawdust production	1.000 m³	n.a.	n.a.	n.a.
Chips production	1.000 m³	n.a.	n.a.	n.a.
Bark production	1.000 m³	n.a.	n.a.	n.a.
Pellets production	1.000 tonnes	n.a.	n.a.	n.a.

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	2022	2023	2024
Softwood	Range 1-5	3	4	4

Capacity increases/decreases

	Unit	2022	2023	2024
Softwood	1.000 m³	0	0	0

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing

	Unit	2023 vs 2022	2024 vs 2023
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 (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing

	Unit	2023 vs 2022	2024 vs 2023
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

Market Statement

After a peak year in 2021 the Danish wood industry experienced a decrease in 2022 following the global recession and aftermath of corona crisis, war in Ukraine and high levels of inflation.

In 2022 the imports of sawn softwood declined to app. 1.200.000 m3 reflecting the slow-down of activities in the construction sector as well as in the wood working industry.

In 2023 the Danish economy is generally strong, but dominated by the medical industry which is pulling the total economy. Other sectors such as the building sector and the production industry are on the contrary experiencing a decrease due to high interest rates and weak currency rates on the dominating export markets. The economic outlook for the wood industry together with the general production sector is weak and with risk of negative rates for the coming period.

Imports of sawn softwood is expected to further decrease to app 1.150.000 m3 in 2023.

Power and district heating is increasingly dependent on biomass for energy production. This is increasingly worrying to the local sawmilling industry as increased demand for biomass has led to consumption of industrial softwood timber for direct energy production.

Along with increased focus on biodiversity and public demand for unmanaged forests, continuously increasing acquisition of wood being shipped to Asia, the Danish wood market will see into a period of diminished demand and building activity.

The long-term outlook for our sector remains positive, considering the underlying demand for construction and energy renovation across Europe as well as the growing recognition that wood products can act as tools to mitigate the climate change and to drive the transition to a green economy.

FINLAND Producer

General economic information

	Unit	2022	2023	2024
Population (million)	million	5,5	5,6	5,6
GDP Growth (%)	%	2,1	-0,2	0,2
Inflation Rate (%)	%	7,2	5,3	2,5
Unemployment Rate (%)	%	6,8	7,5	7,5
Construction industry				
Building permits (units)	units	37.400	15.000	15.000
Housing starts (units)	units	37.800	20.000	20.000
Housing completions (units)	units	41.700	40.000	30.000
Wage development (%)	% vs previous year	3,0	2,0	2,0
Average working time in sawmilling (h/week)	h/week	37,5	37,5	37,5

Sawn softwood

	Unit	2022	2023	2024
Production	1.000 m³	11.200	10.500	11.000
Imports	1.000 m³	250	0	0
Exports	1.000 m³	8.900	8.500	9.000
Consumption	1.000 m³	2.300	2.000	2.000

Softwood logs

	Unit	2022	2023	2024
Production	1.000 m³	29.500	28.000	29.000
Imports	1.000 m³	0	0	0
Exports	1.000 m³	0	0	0
Consumption	1.000 m³	29.500	28.000	29.000

By-Products

	Unit	2022	2023	2024
Sawdust production	1.000 m³	3.350	3.150	3.300
Chips production	1.000 m³	7.400	6.900	7.250
Bark production	1.000 m³	3.100	2.900	3.000
Pellets production	1.000 tonnes	360	350	350

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	2022	2023	2024
Softwood	Range 1-5	2	2	2

Capacity increases/decreases

	Unit	2022	2023	2024
Softwood	1.000 m³	700	700	200

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Softwood logs	% vs previous year	10,0	-5,0
Energy	% vs previous year	-30,0	0,0
Transport	% vs previous year	15,0	5,0

Price development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Sawn softwood	% vs previous year	-30,0	10,0
Chips	% vs previous year	15,0	0,0
Sawdust	% vs previous year	40,0	10,0

Source: Finnish Sawmills Association

Market Statement

Finnish Economy

The Finnish Economy is forecasted to grow -0,2 % this year (2023) and 0,2 % in 2024. Inflation, rise of energy prices, Ukraine war, decline in exports and rising interest rates have burdened Finnish economy. General uncertainty and rising living costs have weakened domestic demand. Due to the weak economic growth, new government is planning significant public financial cuts aimed at curbing the growth of the national debt.

The current account was EUR 0.3 billion in deficit in February 2023 and the 12-month moving total of the current account was EUR 9.5 billion in deficit. The value of goods exports in balance of payments terms decreased by 4 per cent year-on-year and was EUR 5.9 billion. The value of goods imports in balance of payments terms decreased by 11 per cent year-on-year to EUR 5.7 billion. The goods account in balance of payment terms was EUR 0.2 billion in surplus and there was net capital outflow from Finland to abroad.

Unemployment has remained below 10 percent, but since the start of autumn, operators in the forest industry and also in other sectors have announced production curtailments and adjustment measures.

The amount of building permits has declined 50 percent of normal level and the amount in family houses, build usually of wood, the building permit level is all time lowest. A plentiful of new high-rise apartments will be finished by the end of the year but at the same time there are numerous unsold apartments on the market. New housing starts are very limited and some projects have been retracted.

Parliamentary elections were held in Finland this spring and new government started its work in June. Compared to the

previous government this coalition is favorable towards forest industry but economic challenges and recession will make the next years difficult.

Sawn timber production, export and domestic demand

Sawn timber production in year 2023 will be most likely under 11 million cubic meters. During past two years the sawmills have been investing heavily to saw lines in order to increase their capacity. Total capacity increase of several different investments projects in Finland is almost 3 million cubic meters. Some of the new saw lines are already running and the rest will start up by the end of the year.

At the same time sawn timber demand has declined globally and in Finland too. Sawmills have announced about production curtailments and of some shut downs too. This trend will continue at least until the end of the year. Domestic sawn timber demand has declined from 5 million cubic meter levels from the early years of 2000s to all time lowest 2 million cubic meters. Earlier, same amount of sawn timber was imported from Russia but since summer 2022 there hasn't been any import.

In the first half of the year sawn timber export from Finland remained on the same level, 4 million cubic meters, as in year 2022. At the same time as redwood sawn timber export to North African countries have increased, the Japanese exports have decreased the most. The demand of whitewood sawn timber has grown in France and in Estonia but export for whitewood to Germany, Japan and Saudi Arabia has downturned. The average export price of sawn timber has decreased by about 30 percent compared to the previous year.

Raw-material market

Competition on Finnish raw-material market is harsh. End of Russian imports removed approx. 10 million cubic meters of mostly pulp wood and energy wood from the market. Replacing the missing amounts has led to the situation in which the prices of all types of wood have risen significantly – also saw logs. Because of the lack of appropriate type of wood, large amounts of saw logs have been used as a raw-material for pulp production. There has been a slight fall in the log prices but still the price is high compared to the price of sawn timber on global markets at the moment.

Aerial view above a forest Harvester, making logs in Uusimaa, Finland

FRANCE **Producer**
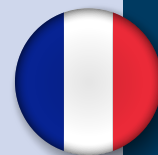
General economic information

	Unit	2022	2023	2024
Population (million)	million	67,8	68,0	68,3
GDP Growth (%)	%	2,6	0,8	0,8
Inflation Rate (%)	%	5,9	5,6	3,8
Unemployment Rate (%)	%	7,2	7,2	7,4
Construction industry				
Building permits (units)	units	486.000	385.000	370.000
Housing starts (units)	units	369.000	360.000	360.000
Housing completions (units)	units	n.a.	n.a.	n.a.
Wage development (%)	% vs previous year	5,0	7,0	3,0
Average working time in sawmilling (h/week)	h/week	39	35	35

Sawn softwood

	Unit	2022	2023	2024
Production	1.000 m³	7.000	6.600	6.000
Imports	1.000 m³	2.900	2.300	2.200
Exports	1.000 m³	860	700	750
Consumption	1.000 m³	9.040	8.200	7.450

Softwood logs

	Unit	2022	2023	2024
Production	1.000 m³	n.a.	n.a.	n.a.
Imports	1.000 m³	n.a.	n.a.	n.a.
Exports	1.000 m³	n.a.	n.a.	n.a.
Consumption	1.000 m³	n.a.	n.a.	n.a.

By-Products

	Unit	2022	2023	2024
Sawdust production	1.000 m³	n.a.	n.a.	n.a.
Chips production	1.000 m³	n.a.	n.a.	n.a.
Bark production	1.000 m³	n.a.	n.a.	n.a.
Pellets production	1.000 tonnes	n.a.	n.a.	n.a.

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	2022	2023	2024
Softwood	Range 1-5	3	4	4

Capacity increases/decreases

	Unit	2022	2023	2024
Softwood	1.000 m³	n.a.	n.a.	n.a.

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
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 (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
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

Market Statement

Le marché des résineux a connu en France une année coupée en 2. La 1ère partie de l'année a suivi la bonne tendance de 2021 avec un carnet de commande de bon niveau.

Fin juin le marché a donné des signes de faiblesse avec beaucoup de stocks de bois d'import achetés à prix très élevés.

Devant la perspective de stabilisation ou réajustement tarifaire les négociants importateurs et les distributeurs ont alors pris la décision de valoriser leurs stocks avant de se re approvisionner.

Comme les stocks étaient à un point haut cela a provoqué en amont un choc et une diminution forte des commandes.

Cette période de re ajustement s'est maintenue jusqu'à l'automne, période à laquelle les commandes ont repris un rythme plus conventionnel.

La période marque également une rupture dans la dynamique des marchés avec l'installation de premiers doutes sur la conjoncture à venir.

Mais globalement l'activité reste équilibrée avec un marché de l'emballage et du bois Energie, comme le granulé, qui reste dynamique.

Du côté de la construction apparaissent les premiers signaux de tassement de l'activité, en particulier en construction neuve et maisons individuelles.

L'inflation, la hausse des taux et le resserrement du crédit pénalisent les projets des particuliers.

Le phénomène décrit est assez généralisé en Europe et vient perturber les échanges commerciaux et équilibrages entre pays.

Les couts de production sont aussi perturbés par la crise du prix de l'Energie, la hausse des salaires, des assurances.

L'année 2023 démarre sur fond d'inquiétude mais l'activité reste meilleure qu'escomptée.

Cependant les signaux de dégradation de la conjoncture se multiplient avec la hausse des taux d'intérêt, la persistance de l'inflation et un secteur du bâtiment qui entre en crise.

The French softwood market had a year split in 2 in 2022. The first part of the year followed the good trend of 2021, with a good order book.

At the end of June, the market showed signs of weakness, with large stocks of imported timber purchased at very high prices.

Faced with the prospect of tariff stabilization or readjustment, importing merchants and distributors decided to sell off their stocks before restocking.

With stocks at a high point, this provoked a shock and a sharp drop in orders.

This period of readjustment lasted until autumn, when orders resumed a more conventional pace.

The period also marked a break in market dynamics, with the first doubts about the future economic situation taking hold.

Overall, however, business remained balanced, with the packaging and wood energy markets, such as pellet markets, remaining buoyant.

In the construction sector, signs of a slowdown are appearing, particularly in new construction and single-family homes.

Inflation, rising interest rates and the credit crunch are penalizing private individuals' projects.

The phenomenon described is fairly widespread in Europe, and is disrupting trade and balances between countries.

Production costs are also affected by the crisis in energy prices, rising salaries and insurance costs.

The year 2023 is starting off on a worrying note, but business remains better than expected.

However, signs of a worsening economic climate are multiplying, with rising interest rates, persistent inflation and a construction sector in crisis.

GERMANY Producer

General economic information

	Unit	2022	2023	2024
Population (million)	million	84,4	increasing	increasing
GDP Growth (%)	%	1,8	stable	increasing
Inflation Rate (%)	%	6,9	6,0	2,4
Unemployment Rate (%)	%	5,3	5,6	stable
Construction industry				
Building permits (units)	units	354.500	decreasing	stable
Housing starts (units)	units	n.a.	decreasing	stable
Housing completions (units)	units	295.300	decreasing	stable
Wage development (%)	% vs previous year	5,8	increasing	increasing
Average working time in sawmilling (h/week)	h/week	40	stable	stable

Sawn softwood

	Unit	2022	2023	2024
Production	1.000 m³	24.309	21.400	19.800
Imports	1.000 m³	4.146	2.700	3.000
Exports	1.000 m³	11.162	9.200	9.500
Consumption	1.000 m³	17.294	14.900	13.300

Softwood logs

	Unit	2022	2023	2024
Production	1.000 m³	42.797	38.500	34.600
Imports	1.000 m³	2.862	2.300	2.300
Exports	1.000 m³	6.665	5.400	2.500
Consumption	1.000 m³	38.994	35.400	34.400

By-Products

	Unit	2022	2023	2024
Sawdust production	1.000 m³	5.435	4.750	4.400
Chips production	1.000 m³	11.357	9.950	9.300
Bark production	1.000 m³	n.a.	n.a.	n.a.
Pellets production	1.000 tonnes	3.570	3.700	increasing

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	2022	2023	2024
Softwood	Range 1-5	2	2	1

Capacity increases/decreases

	Unit	2022	2023	2024
Softwood	1.000 m³	stable	decreasing	stable

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Softwood logs	% vs previous year	stable	increasing
Energy	% vs previous year	increasing	increasing
Transport	% vs previous year	increasing	increasing

Price development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Sawn softwood	% vs previous year	decreasing	stable
Chips	% vs previous year	decreasing	stable
Sawdust	% vs previous year	decreasing	stable

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

Market Statement

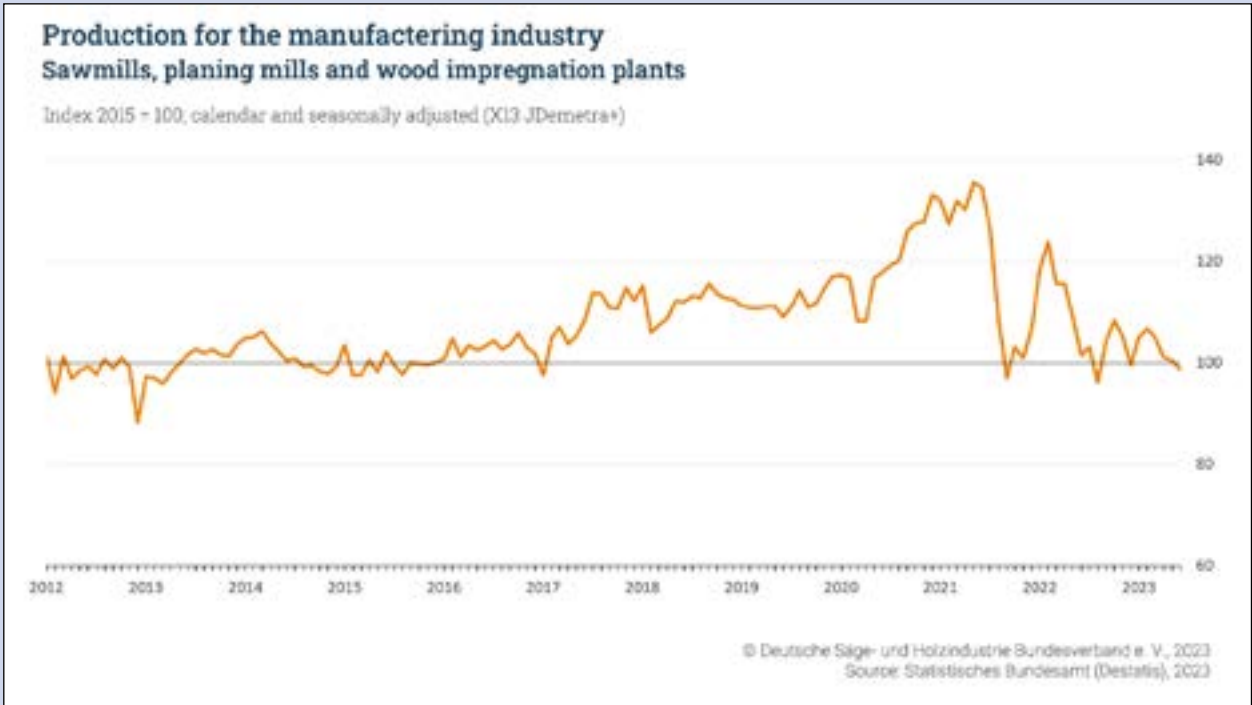## Weak economy burdens timber markets

After the German sawmill and timber industry had been confronted with exceptionally volatile market conditions in 2021, companies had to face additional challenges during the year of 2022. After a good start, the attack on Ukraine caused a sharp downturn in the overall economy which had a direct impact on the companies and timber markets. As in other industries, the rapid rise in energy prices put companies under pressure. While electricity-generating companies profited on the energy market, many were confronted with sharp cost increases. At the same time, self-supply with process heat and independence from gas provided a decisive advantage. Nevertheless, the additional costs incurred could not be permanently priced in over the course of the year due to the poor sales conditions in Germany. As a result of the economic disruptions in the national and international markets the previously rising sales volumes had been in decline since the second quarter of 2022. In combination with rising log prices and increasing price pressure, the earnings situation of the companies was proving difficult from then on. Against this background, high revenues from sawmill residues and wood pellets supported sales. Nevertheless, in combination with the very high price level for sawn wood in the first months, there was a strong increase in sales last year despite the numerous challenges.

Softwood processing companies were particularly affected by the slump in construction activity. The burdens of the past year have brought construction growth to a standstill. Investment costs, which have risen sharply with the interest rate increases, coupled with rising construction prices, have led to a significant decline construction orders. As a result, domestic demand for sawn softwood has slumped sharply.

While construction demand weakened continuously, the packaging sector proved to be a stable customer in Germany. Foreign sales also continued to perform well, partly compensating for lower demand from the domestic market. As a result, there was only a slight decline in production in 2022, while exports reached a new record level.
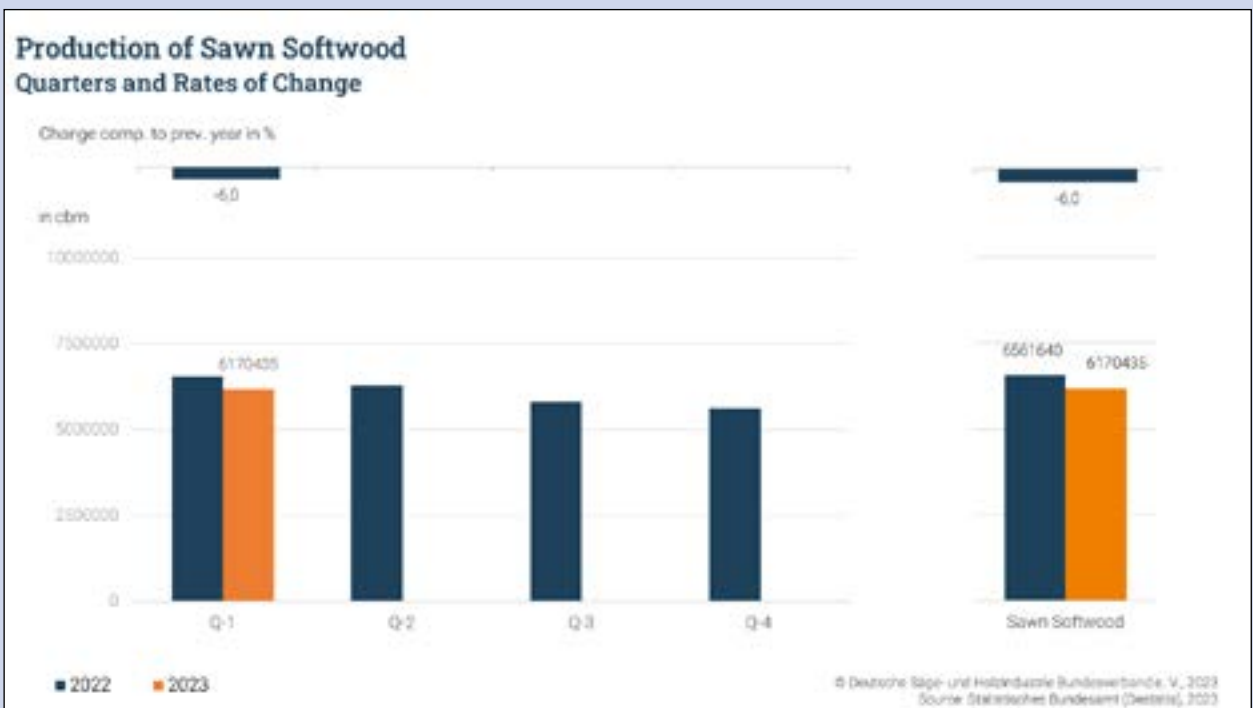
At the beginning of the current year, production remains behind the two previous years. In view of the weak markets, also internationally, all sales channels are currently under strong pressure. The only slow overall economic recovery and the still very weak construction sector are having an increasingly negative impact on the entire sawmill and timber industry.

Production for the manufactering industry
Sawmills, planing mills and wood impregnation plants

Index 2015 = 100, calendar and seasonally adjusted (X13 JDemetra+)

© Deutsche Säge- und Holzindustrie Bundesverband e. V., 2023
Source: Statistisches Bundesamt (Destatis), 2023

Falling demand causes lower production

After two record years, sawn softwood production declined for the first time in 2022. With an annual production of 24.3 million cbm and a minus of 4.1 percent compared to the previous year, the result is nevertheless far above the long-term average. With a year-on-year decline of 6 percent, production decreased further in the first quarter of 2023. The production index (calendar and seasonally adjusted) has been falling continuously since February. Up to June, there was a decrease of 7.6 percent.

Production of Sawn Softwood
Quarters and Rates of Change

Change comp. to prev. year in %

in cbm

■ 2022 ■ 2023

© Deutsche Säge- und Holzindustrie Bundesverbande. V., 2023
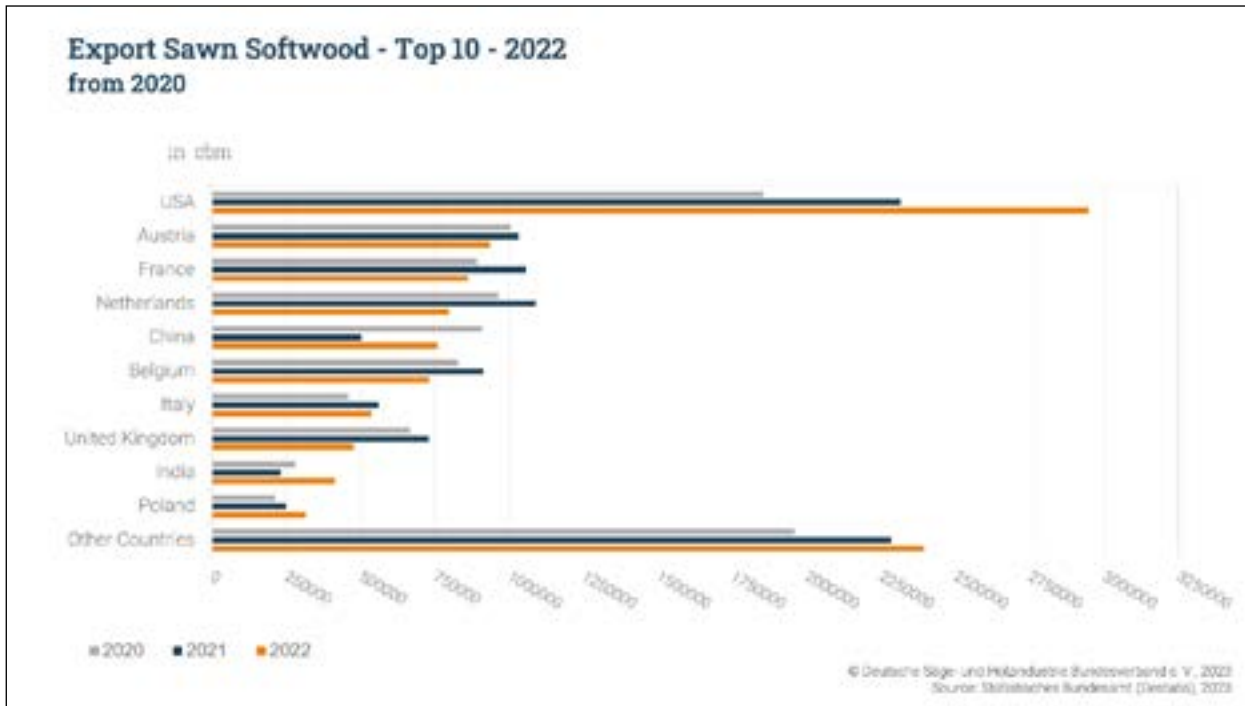Source: Statistisches Bundesamt (Destatis), 2023

After record year - Exports under pressure

Exports of sawn softwood reached a new record of 11.1 million cbm in 2022. Foreign sales not only made it possible to absorb the high volume of damaged wood produced in the calamity years, but also compensated for stronger fluctuations in production in the face of volatile sales markets at home. The US market in particular has proved receptive since 2017. Exports increased by 300 percent over the past five years to almost 3 million cbm. Besides the US, China and India are the most important destinations for exports. Both countries significantly increased their share again after a decline in the previous year. Nevertheless, with over a third of total exports, European countries remain the most important customers outside Germany. In the current year foreign sales have also been affected by weak demand and there are significant shifts in volumes among the most important sales countries. In the first half of the year, sawn softwood exports declined by 11.6 percent compared to the previous year.

Export Sawn Softwood - Top 10 - 2022 from 2020

in cbm

■ 2020 ■ 2021 ■ 2022

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Source: Statistisches Bundesamt (Destatis), 2023

Export of Sawn Wood

Sawn Softwood

in cbm

Country	Year 2019	Year 2020	Year 2021	Year 2022	Jan-Jun 2022	Jan-Jun 2023	Change in % 2023/2022
USA	1216501	1854634	2313364	2946919	1397646	1165818	-16,6
Austria	972410	1003605	1031680	932976	529836	414302	-21,8
France	909708	890632	1055875	860651	494859	461357	-6,8
Netherlands	931823	962192	1087445	796529	466424	364030	-22,0
China	770524	907270	501152	758645	204457	258054	26,2
Belgium	732775	828527	912508	730035	426326	334655	-21,5
Italy	498931	459972	559102	537717	261056	306836	17,5
United Kingdom	524330	666663	727615	476134	281508	228697	-18,8
India	354865	282342	231758	411886	166054	217226	30,8
Poland	194571	213402	248277	317274	195110	127950	-34,4
Other Countries	2129581	1959544	2285337	2393394	1284402	1166196	-9,2
Total	9236018	10028783	10954113	11162159	5707676	5045122	-11,6

© Deutsche Säge- und Holzindustrie Bundesverband e. V., 2023
Source: Statistisches Bundesamt (Destatis), 2023

Severe slump in domestic consumption

Domestic sales declined as economic growth slowed last year. Alongside strong exports, a sharp drop in imports supported production in view of this development. With volumes down by more than 1.6 million cbm, imports were reduced by 28.6 percent. As a result, the calculated consumption of sawn softwood in Germany fell by 14.3 percent compared to the

previous year. With a volume of 17.3 million cbm, it was at its long-term low. Against this background, however, the German sawmill and timber industry is proving to be crisis-proof and demonstrating resilience in the face of the difficult situation on the world markets. A recovery on the domestic consumption remains largely dependent on a sustained upturn in the construction industry, which is not expected to come until next year at the earliest.

Balance of Sawn Wood

Sawn Softwood (cbm)

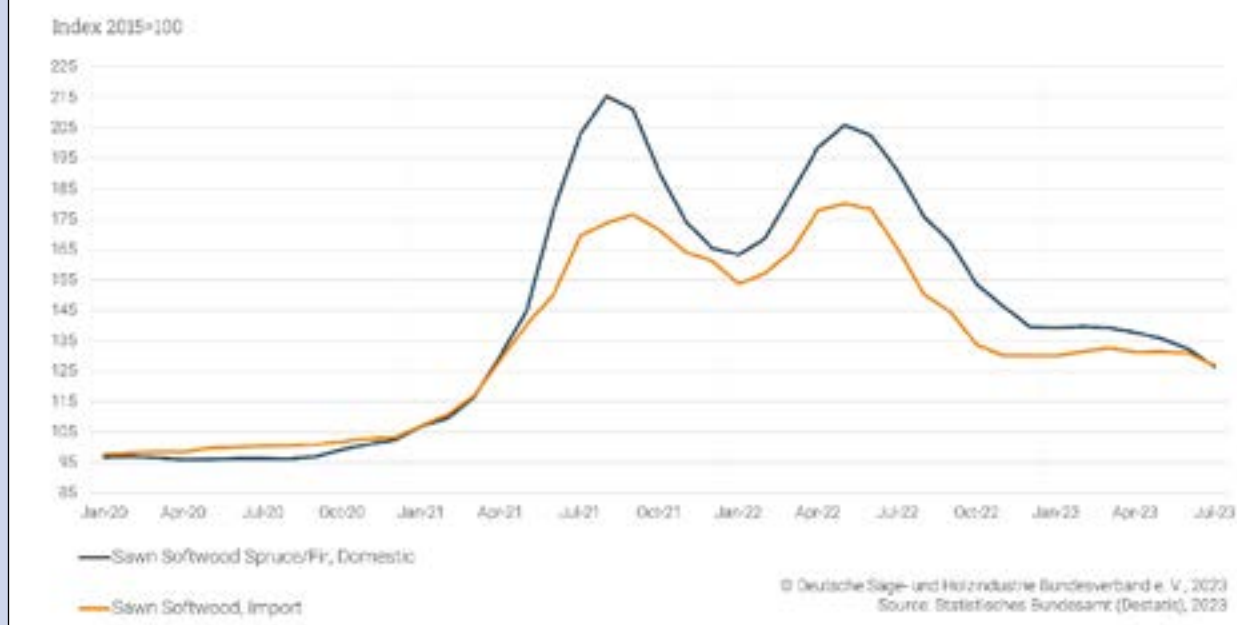|	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Change % 2022/2021
Unplaned Timber	18435033	18508507	19776327	19922000	19094392	-4,2
Planed Timber	4345321	4795096	5439178	5415047	5215035	-3,7
Production Sawn Softwood	22780354	23303603	25215505	25337047	24309427	-4,1
Import Unplaned Timber	4721950	4453981	4594153	4818921	3341929	-30,6
Import Planed Timber	707000	702376	855584	984232	804394	-18,3
Import Sawn Softwood	5428950	5156357	5449737	5803153	4146323	-28,6
Export Unplaned Timber	6017537	6471086	6534514	6978802	6797231	-2,6
Export Planed Timber	2602869	2764932	3494269	3975311	4364928	9,8
Export Sawn Softwood	8620406	9236018	10028783	10954113	11162159	1,9
Balance Sawn Softwood	19588898	19223942	20636459	20186087	17293591	-14,3

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Source: Statistisches Bundesamt (Destatis), 2023

Weak prices after dynamic development

Driven by sales and demand influences on the national and international markets, a pronounced volatility in sawn softwood prices already set in at the end of 2020. Strong increases in 2021 were followed by an abrupt slump, which stabilized at the beginning of last year. After the good start, prices could not be maintained as a result of the start of the war. The construction-related ranges were under strong price pressure, which also caught up with the other ranges. Nevertheless, the producer price index for sawn softwood increased again in 2022, reaching a level of 174.7 points, an increase of 7.8 percent. This represents an increase of 79 percent compared to 2020. In the current year, prices are stagnating or continuing to fall. As a result, the revenue situation for companies remained difficult in the first half of the year.

Priceindex Sawn Softwood Domestic and Import

Index 2015=100

— Sawn Softwood Spruce/Fir, Domestic
— Sawn Softwood, Import

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Source: Statistisches Bundesamt (Destatis), 2023

Logging down - Less damaged timber

In the past year, the logging volume declined again for the first time. For the second time in a row, the proportion of damaged timber was also lower and accounted for 56.7 percent of the total, at 44.7 million cbm. As a result, total felling remained high at 78.7 million cbm, and is in 2022 still well above the long-term average of about 54 million cbm. Cumulatively, around 233 million cbm of damaged timber has been harvested since 2018, 84 percent of which was accounted for by the spruce, fir and Douglas fir species group. With a cut of about 40.5 million cbm in 2022, the sawmill and timber industry processed the majority of the softwood log harvest of 42.8 million cbm. In the process, companies have cut an average of 13 percent more wood since 2018 than in the previous five years, making a significant contribution to managing the volume of damaged timber.
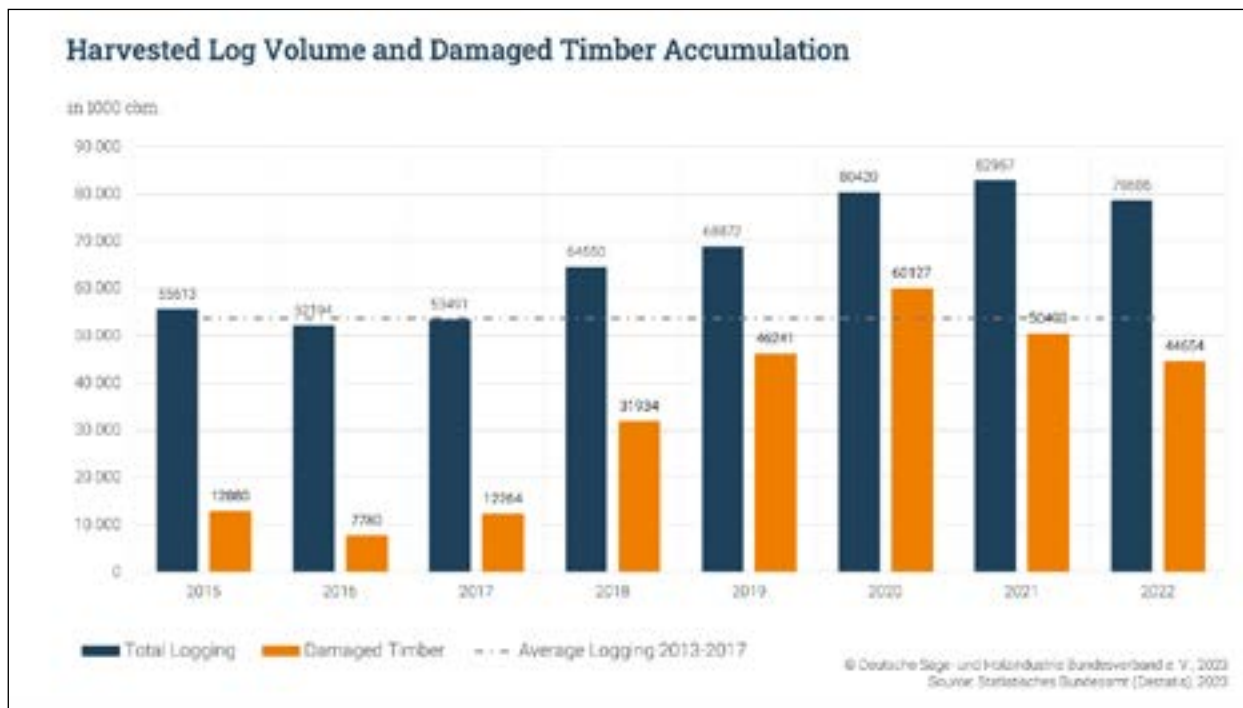
The volume of damaged timber is expected to decline in the coming years. Nevertheless, felling is not expected to fall back to its long-term average. With the conversion of forests to climate-stable mixed forests and progressive climatic changes, the volume of coniferous wood will remain increased in the medium term.
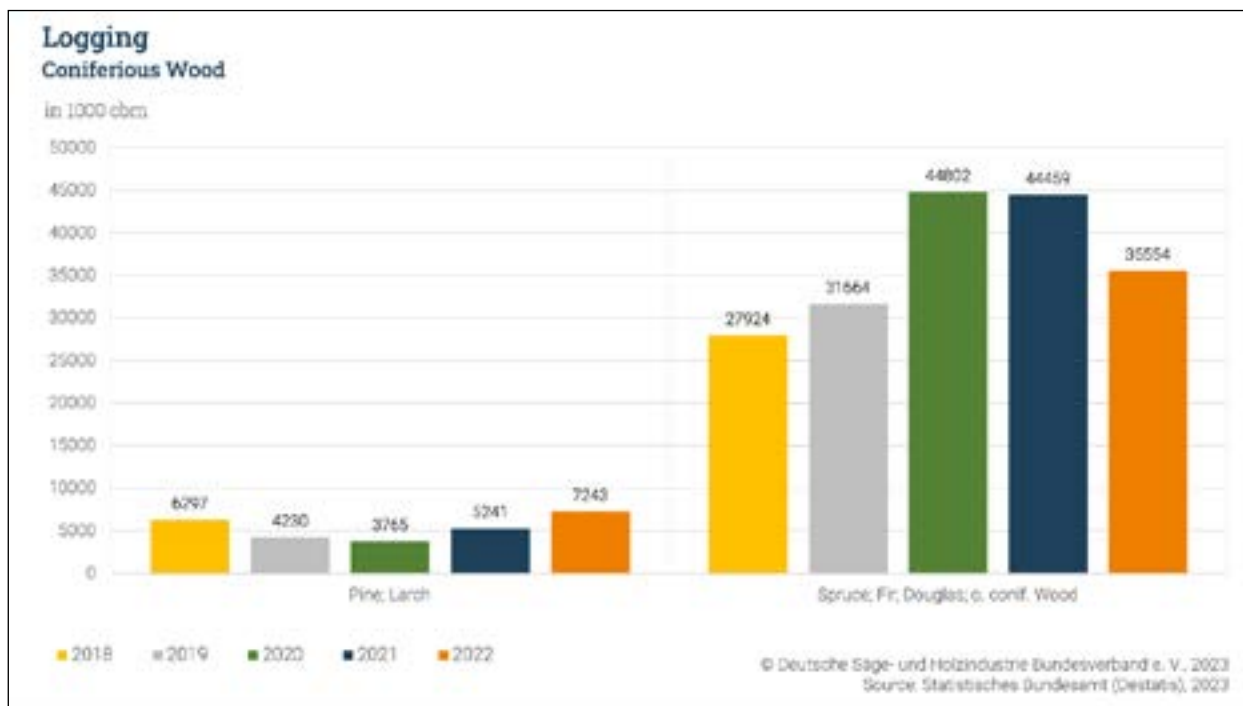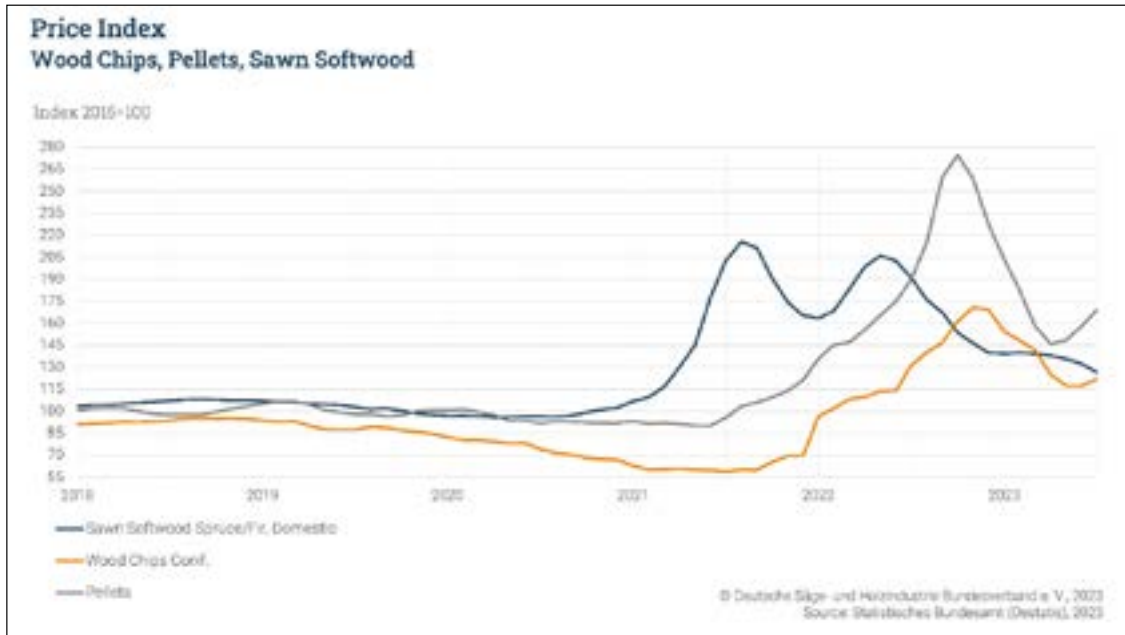
Export of logs remains at a high level

Despite declines in the last two years, the volume of softwood logs exported in 2022 remains at a very high level of 6.6 million cbm, 3.3 times the five-year average of the pre-calamity years. More than half of the volume of softwood logs exported in the last four years went to China. Other significant customers were Austria, Belgium, Lithuania and Poland.

Rising prices for sawmill residues and pellets

After revenues for sawmill residues were still under pressure until mid-2021 as a result of a long downward trend, the first increases occurred at the end of the year. From March 2022 at the latest, the onset of the energy crisis led to a boom in demand for all energy-related wood product ranges. Wood chips and pellets also benefited from this. Their producer price index rose by 109 and 96 percent respectively last year. In view of the volatile market situation for sawn softwood production, the revenues stabilized the earnings situation of the companies.

Price Index
Wood Chips, Pellets, Sawn Softwood

Index 2015=100

— Sawn Softwood Spruce/Fir, Domestic
— Wood Chips Conif.
— Pellets

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Source: Statistisches Bundesamt (Destatis), 2023

Germany - important international partner

For several years now, the German sawmill and timber industry has taken a leading position in Europe in terms of sawn softwood production, exports and consumption. It has developed from a softwood importing country to a major exporter and is playing a significant role in international comparisons. Due to continuous investments and a broad positioning in products and target markets as well as the high and sustainable availability of raw materials, Germany ranks first in sawn softwood production and consumption and second in exports after Sweden.

Production - Sawn Softwood worldwide

in 1000 cbm	2020	2021	Change in %
Europe	114798	118210	3,0
Germany	25217	25335	0,5
Sweden	18400	19000	3,3
Finland	10880	11900	9,4
Austria	10305	10582	2,7
France	6798	7712	13,4
Turkiye	6975	6150	-11,8
CIS	46299	46365	0,1
Russia	38918	38918	0,0
Belarus	4364	4364	0,0
Ukraine	2717	2717	0,0
North Amerca	101843	103445	1,6
Canada	39397	40285	2,3
US	62446	63160	1,1

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Source: UNECE/FAO TIMBER database, 2022

Export - Sawn Softwood worldwide

in 1000 cbm	2020	2021	Chnage in %
Europa	57736	58809	1,9
Sweden	13976	12560	-10,1
Germany	9677	10508	8,6
Finland	8198	8715	6,3
Austria	5951	5982	0,5
Czechia	3503	3503	0,0
Latvia	3037	3152	3,8
CIS	36788	36566	-0,6
Russia	29833	29833	0,0
Belarus	3937	3937	0,0
Ukraine	3000	2744	-8,5
North America	28198	29225	3,6
Canada	26239	26663	1,6
US	1959	2562	30,8

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Source: UNECE/FAO TIMBER database, 2022

1. National Economy

1.1. Overall Economic Situation

- The economic situation in the early summer continues to be characterised by a high level of uncertainty and by data pointing in different directions. Whilst the external economic environment has remained weak, some domestic economic indicators are now pointing towards a stabilisation. Overall, the economic development in the second quarter is likely to have been very restrained.
- The latest data on the economic indicators, particularly on new orders and industrial output, point to a moderate underlying economic performance following a significant cooling towards the end of the first quarter. Although business sentiment has worsened, the current stabilisation of demand is suggestive of a gradual recovery of the industrial economy in the coming months.
- Retail sales (excluding motor vehicles) improved slightly in May compared with the previous month, for the second time in succession. However, consumers continue to be uncertain. Over the coming months, consumer spending is not expected to trigger significant growth in real terms.
- The upward trend in consumer prices picked up some speed again in June, with the inflation rate standing at 6.4% (May: +6.1%). The core inflation rate also rose by 0.4 percentage points to 5.8%. However, following the declining trend since March, this is mainly due to one-off effects relating to the relief provided by the state a year ago (9-euro monthly public transport ticket, reduction in motor fuel duty).
- Whilst the labour market appeared to be unaffected by the difficult cyclical situation for a long time, the situation worsened appreciably in June in the wake of the weaker economic performance. Registered unemployment continued to rise, and employment declined. In view of the ongoing skills shortage, however, no sharp rise in unemployment is likely.
- In April 2023, the number of insolvencies was 14.4% up in year-on-year terms according to official statistics. Current leading indicators are showing a sharp year-on-year rise for June (Halle Institute for Economic Research: 48.1%). According to the institute's Bankruptcy Update, the number of insolvencies of partnerships and corporations has risen to the highest level since 2016. However, the coming months are expected to see a slight fall. Overall, the trend shows a continuous rise since mid-2022, albeit from a very low level.
- Generally, falling prices on the global energy markets, slowing inflation, higher wage agreements and the expected global economic recovery all point to a moderate recovery of the German economy in the rest of the year.

1.2. Building Sector (general)

- At the end of 2021, the industry was very optimistic about the construction industry in 2022. The supply chains began to take effect again, orders picked up speed again and the order books filled up. After a real sales decline of 6% in 2021, a forecast real growth in sales in the construction industry of +1.5% for 2022 was expected. restart of the supply chains was suddenly interrupted by the war in Ukraine and the subsequent sanctions against Russia.
- Exorbitant price increase for energy costs began, which drove up the cost of living but also construction costs. At the same time, interest rates on real estate loans have quadrupled since the beginning of the year. Material costs remain at historically high levels, driving price development for construction services.
- At the beginning of 2023, construction companies were again announced price increases for building materials. The pressure on construction prices will therefore remain high, even if the dynamics of price developments will slow down.
- The mix of rising construction, financing and living costs is increasingly impacting the demand for construction services. The construction industry is losing momentum. The general conditions for the construction industry have deteriorated significantly and are significantly clouding the prospects for the construction industry in 2023.
- Over 60% of all companies reporting back expect business development to deteriorate in the next six months. This particularly affects business expectations in residential construction, the pillar of the construction industry in recent years. Virtually none of the companies expect better business development in the next six months. But 74% of residential construction companies expect business development to deteriorate.
- For 2023, a nominal decline of 2% is expected, given the estimated price development of 5.5%, a real decline of 7%. In housing construction in particular, under the current conditions there is a significant under-utilization of the capacities built up in recent years. This puts companies in an area of tension. A fundamentally intact but slowed down demand for construction services is again increasing the competitive pressure on companies.

1.3. Residential buildings

- The construction industry has been a pillar of the German economy in recent years, with new residential construction being its anchor. From 2010 onwards, construction companies have almost doubled the number of residential construction completions from almost 160,000 to around 300,000 residential units by 2020/2021.
- This continuous build-up of living space capacity is now in danger of being demolished. The dramatic decline in order development in residential construction from April to September 2022 with monthly rates between -17% and -26% in real terms signals a dramatic collapse in new construction activity in the coming months. This does not include cancellations, which, according to our survey, affect the majority of companies.
- Mirroring this, the volume of new loans in housing construction with an initial fixed interest rate of 10 years has collapsed from around 15.8 billion euros to under 7 billion euros. Banks do not expect anything to change in the next few months under the current conditions.

Table 1: Construction sector overview

Construction completions total residential units	IS 2019	IS 2020	IS 2021	Forecast 2022	Forecast 2023
Residential buildings	255,925	268,774	256,352	243,000	210,000
Single family homes	83,804	87,275	78,209	72,500	61,000
Double family homes	19,306	20,472	20,118	18,500	16,000
Multiple fam. homes	143,053	153,377	147,925	142,000	123,000
Dorms	9,762	7,650	10,100	10,000	10,000
non-residential buildings	4,866	4,995	5,317	5,000	4,000
modification	32,211	32,607	31,724	32,000	31,000
In total	**293,002**	**306,376**	**293,393**	**280,000**	**245,000**

1.4. Commercial Construction

– In commercial construction, around 31.6 billion euros were generated in companies with 20 or more employees by the third quarter; Of this, a good 18 billion euros in building construction; (+10%) and 13 billion euros in civil engineering; (+12%). In nominal terms, commercial construction overall is around +11% above the previous year's level; in real terms, sales as of September are around 6% below the previous year's level.

– The demand for commercial buildings has shown a declining trend since the second quarter. In nominal terms, the orders overall are still +9%; real at around -7%. The negative trend is driven by the high share of building construction. Orders here are nominally only 2% above the previous year's level, but in real terms they are down around 13%.

– However, demand for civil engineering work was pleasingly stable. As of the third quarter, orders are at +19% in nominal terms and around +1% in real terms. Apparently, Deutsche Bahn's investments, as well as broadband expansion and the conversion of the energy infrastructure, are driving commercial civil engineering.

– For 2023, we expect a real decline in sales in commercial construction of 6%, which corresponds to a nominal decline of 1% given the estimated price development of 5.5%. Sales in civil engineering rose by a nominal 3%. In building construction, sales fell by 4%.

1.5. Public Construction

– The municipalities, as the largest public sector client, see a strong increase in their ongoing material and personnel expenses as well as social expenses in the coming years, which will not be covered by the increase in forecast tax revenue. The background is particularly high inflation and the challenges in accommodating refugees.

– Against this background, it is to be feared that the municipalities will not be able to expand their investments in 2023 by 3.5%, as they had forecast in the summer. At best, the assumption of their investments in 2023 will remain at the level of the previous year.

– The federal government's investments in infrastructure are also not reaching their own targets this year.

– According to the current discussions on the 2023 federal budget, the investment line in federal infrastructure in the coming year should only be kept at a nominal level. The investment backlog in infrastructure will not be substantially reduced, especially since budget planning does not adequately take price developments for construction services into account. In reality, fewer projects can therefore be implemented than the Federal Transport Infrastructure Plan envisages.

– For 2023, a real decline in sales in public construction of 4.5% is expected, which corresponds to a nominal increase of 1% given the estimated price development of 5.5%. Sales in civil engineering remained at around the previous year's level. In building construction, sales increase by around 2.5%.

2. Market situation in the timber trade

2.1. National Timber Trade

Timber trade sales down 14 % in the first seven months of the year – means that the timber trade is clearly feeling the very restrained demand and the weak construction industry. The uncertainty surrounding the planned *Energy in Buildings Act* is causing considerable reluctance to invest in the building sector and in renovation. Sales and price developments of the most important product ranges in the timber trade were therefore down significantly across the board in the first seven months.

The declining sales are not only due to weak demand, but also to falling prices.

Due to the difficult economic environment, the timber trade continues to expect very restrained business in the coming months - also due to the sharp decline in figures for building permits in residential construction. Only one-fifth of the companies surveyed in the monthly company comparison expect sales to be at the previous year's level.

GD Holz is therefore urgently calling for impetus for residential construction; proposals from the Ministry of Construction on declining balance depreciation and postponement of the EH40-KFW standard for new construction would be a good approach.

In addition, it is urgently necessary that the politicians provide more clarity, especially with regard to the *Energy in Buildings Act,* and thus end the uncertainty among consumers. The building industry must not be made more complicated and thus more expensive with even more ordinances and regulations.

Table 2: softwood logs and timber imports [1.000m³]

	2019	2020	2021	2022
Softwood logs	6.518	5.691	5.865	5.150
Softwood timber	4.281	4.432	4.635	3.052
Softwood timber, processed	875	1.016	1.167	1.066

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

	2019	2020	2021	2022
Softwood logs	7.487	12.015	10.899	8.739
Softwood timber	6.168	6.178	6.625	6.341
Softwood timber, processed	3.067	3.388	3.847	4.255

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

Graph 1: GD Holz Turnover expectations in the Timber Trade, m-o-m
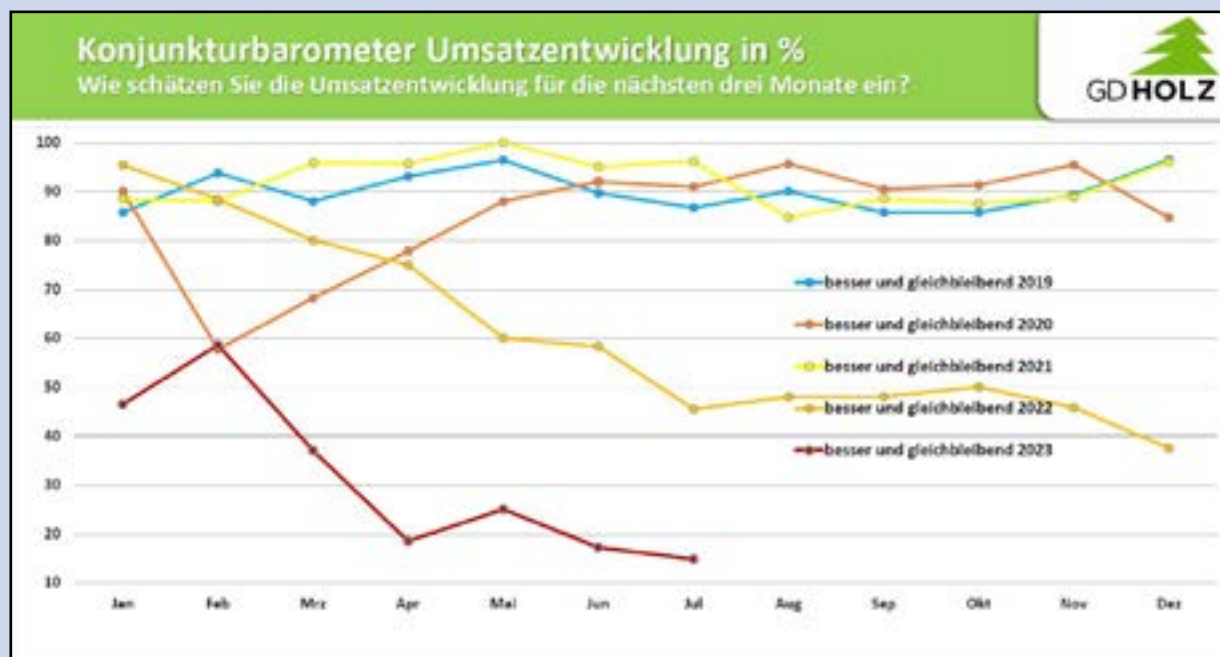
2.2 Foreign Timber Trade

Import

Graph 2: Softwood Logs supplier countries in m³
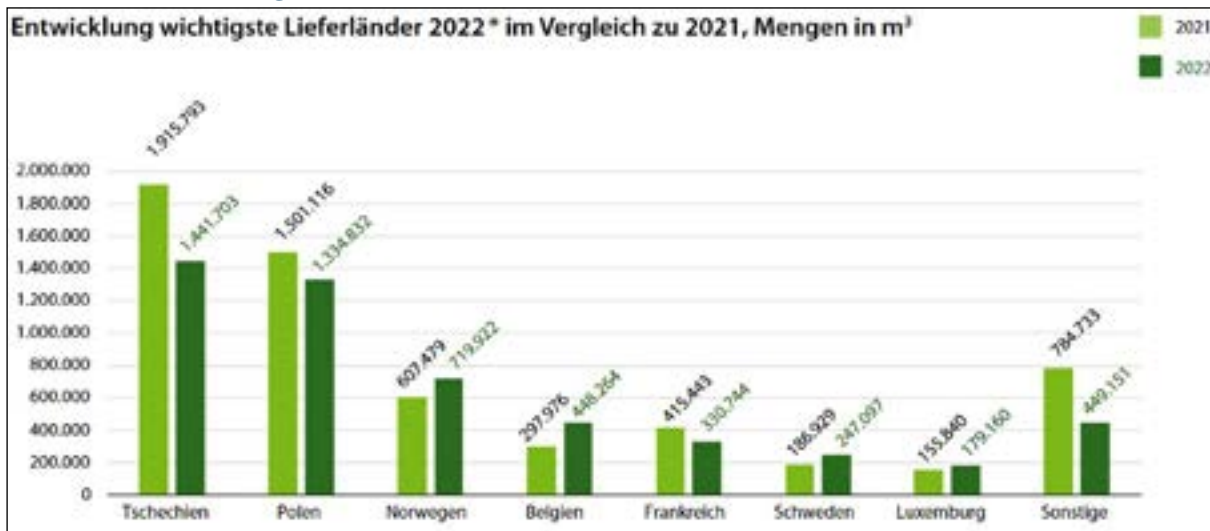
Graph 3: Softwood timber, unprocessed, supplier countries in m³

Graph 4: Softwood timber, processed, supplier countries in m³

EOS/ETTF MARKET SURVEY 2023
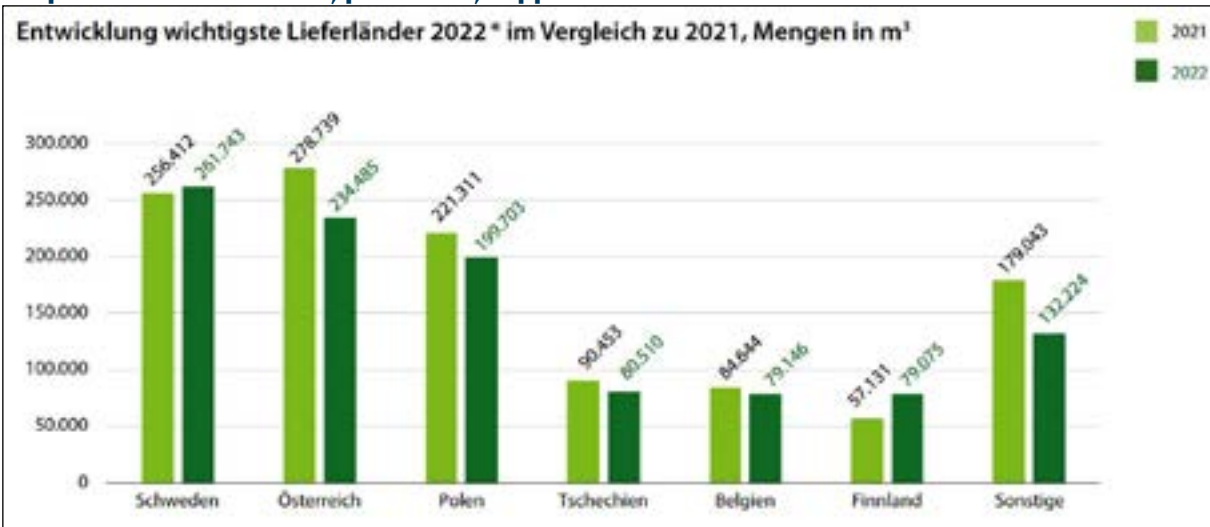
Graph 5: Softwood logs destination country in m³

Entwicklung wichtigste Empfängerländer 2022 * im Vergleich zu 2021, Mengen in m³

2021 · 2022

China: 4.031.841 / 3.025.168
Österreich: 2.615.341 / 2.235.147
Belgien: 1.150.277 / 884.818
Polen: 510.115 / 500.966
Tschechien: 388.752 / 427.744
Litauen: 275.784 / 224.339
Niederlande: 274.477 / 160.510
Sonstige: 1.652.631 / 1.260.330

Graph 6: Softwood timber, unprocessed, destination country in m³

Entwicklung wichtigste Empfängerländer 2022 * im Vergleich zu 2021, Mengen in m³

2021 · 2022

Österreich: 849.456 / 784.574
Belgien: 803.978 / 653.527 ... 774.307 / 690.618
China: 625.234 / 595.147 ... 398.169 / 576.670
Vereinigte Staaten von Amerika: 521.698 / 498.617 ... 318.909 / 416.887
Vereinigtes Königreich: 186.235 / 349.977 ... 361.020 / 236.096
174.740 / 234.357
Sonstige: 1.411.948 / 1.394.709

Graph 7: Softwood timber, processed, destination country in m³

Entwicklung wichtigste Empfängerländer 2022 * im Vergleich zu 2021, Mengen in m³

2021 · 2022

Vereinigte Staaten von Amerika: 1.988.994 / 2.362.808
Vereinigtes Königreich: 336.668 / 221.693
Frankreich: 179.692 / 152.940
Niederlande: 169.175 / 154.365
Belgien: 133.535 / 122.953
Österreich: 130.623 / 107.871
Sonstige: 898.847 / 1.105.218
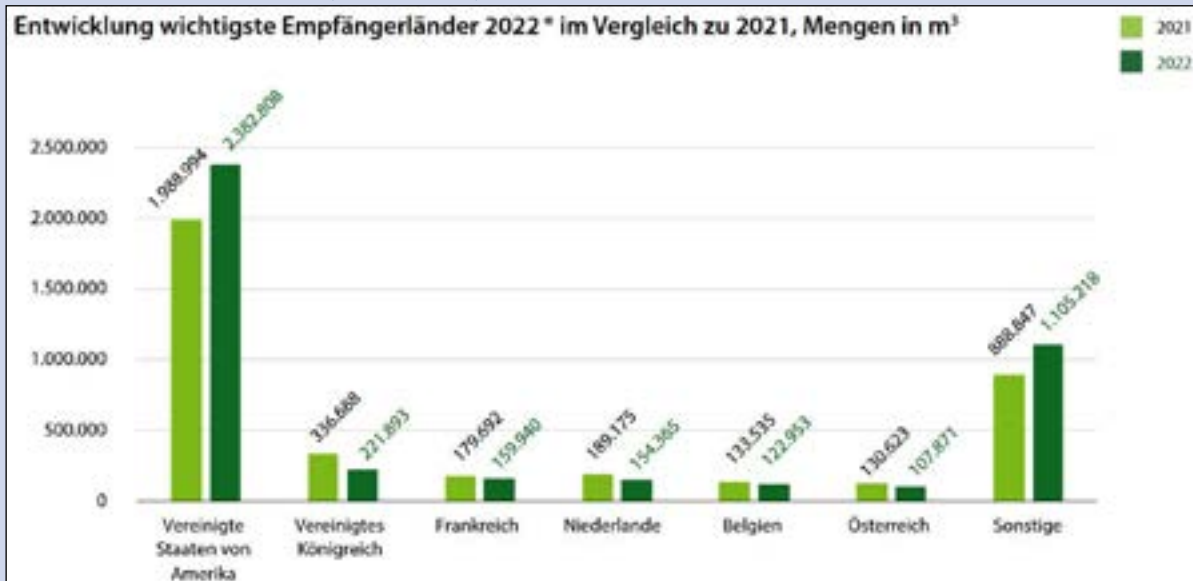
2.3. Furniture Industry

– The German furniture industry is currently struggling with a significant decline in demand. According to the association's internal statistics, the orders received by German furniture manufacturers are significantly lower than in the previous year and the forecast for the full year 2023 is now assuming a decline in sales of 5 to 7 percent for the German furniture industry.

– German home furniture manufacturers recorded a decline of around 12 percent in the value of incoming orders in the first seven months of this year compared to the same period last year. The upholstered furniture industry suffered losses of around 10 percent. In the kitchen furniture industry, the value of incoming orders was a good 2 percent below the previous year. In terms of unit numbers, the situation is even more negative.
As a result, German furniture manufacturers are increasingly turning to short-time work. Accordingly, 35 percent of the companies surveyed have currently applied for short-time work.

– Supply of materials, which had stagnated significantly during the pandemic, has now eased. The delivery times were again within the normal range of four to eight weeks. Material prices are declining in some cases but remain at a high level. Packaging materials and logistics services, on the other hand, continue to rise sharply in price, as the latest survey shows. The high energy prices also represent a significant burden for companies, said Kurth. The cost pressure for the industry remains very high.

– France still occupies first place in the ranking of the most important export markets with a slight decrease of 3.1 percent to just under 700 million euros, followed by Switzerland and Austria. Against this background, the increase in German furniture exports to Switzerland is particularly pleasing, increasing by 7 percent to around 660 million euros. Exports to Austria fell by 8.4 percent to a good 510 million euros.

2.4. Windows and doors

– Minus 4.5 percent for windows and minus 5.8 percent for external doors – these are the adjusted forecasts for 2023. While the previous study from October 2022 initially expected slight declines for 2023, market expectations for the current year have now deteriorated significantly.

– While the window market in Germany declined by two percent in 2022, sales are expected to decline significantly by a further 4.5 percent in 2023. In window units, that means a decline to 14.8 million. Reasons for that lie in the sharp rise in procurement prices, inflation, the rise in interest rates and the overall uncertainty of consumers about investing at the moment.

– There was also a decline of 2.5 percent in the external door market in 2022, which will increase to a decline of 5.8 percent in 2023. However, there are significant shifts in market shares from new construction to renovation in both the window and exterior door markets.

2.5. Wood Packaging

– The market developed inconsistently last year and prospects for 2023 are non-unifomr as well. Manufacturers of wooden packaging in Germany have had an eventful year and are currently quite cautious about the prospects for 2023.

– Production trends in 2022 were mixed. According to the Federal Statistical Office, a good 117 million wooden pallets were produced in Germany last year; that was 2.3 percent less than in the previous year. An all-time high was marked in 2021 with almost 120 million pallets.

– The current economic prospects do not give rise to excessive optimism, further escalating bureaucracy on the backs of companies needs to be factored in too. The German foreign trade balance closed 2022 with a surplus of 79.7 billion euros, which was the lowest balance since the turn of the millennium.

– Pallet imports to Germany fell in 2022 due to the current political situation, by almost 11 percent to 70.1 million units. In terms of value, however, an increase of 17.6 percent to EUR 761.7 million was recorded. As usual, the top importing country was Poland, whose deliveries to Germany fell by 7.2 percent to 28.2 million pallets. According to the Federal Statistical Office, Germany's pallet exports fell by just 4.2 percent to 33.1 million units in 2022 compared to the previous year. Here too, an opposite development took place. In terms of value, exports increased by 30.0 percent to 463.3 million euros. The total market for pallets required in Germany amounted to 154 million units.

2.6. Pellets / Wood Energy

Brennstoffkosten in Deutschland
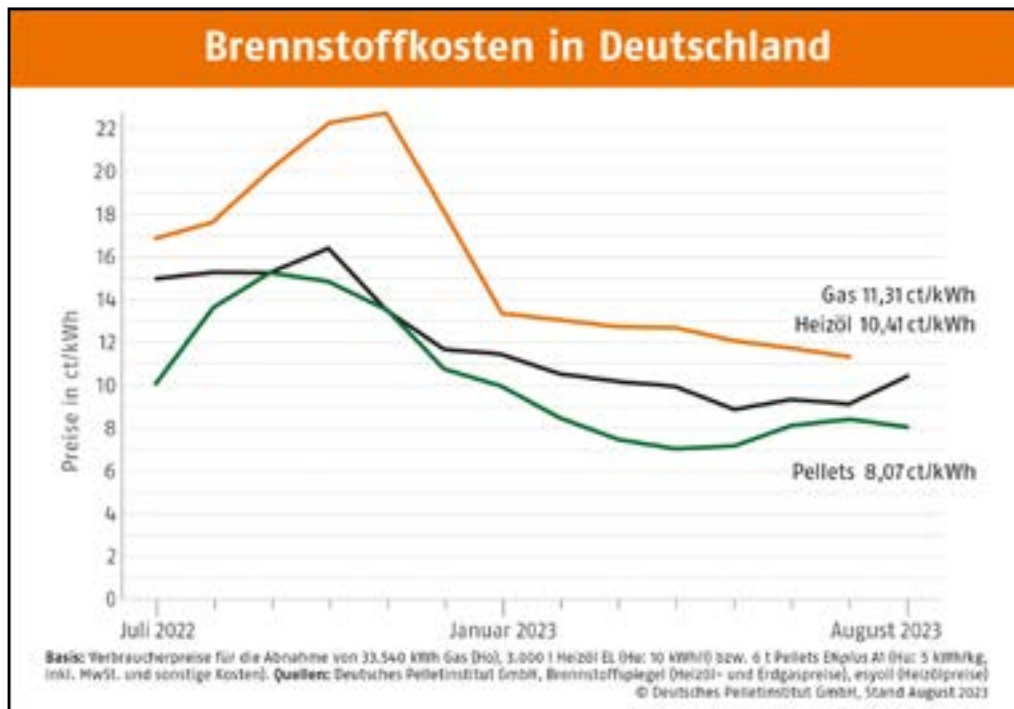
– According to the German Pellet Institute (DEPI), the price of wood pellets fell for the third month in a row in September. On average, one ton (t) currently costs 382.44 euros, which corresponds to a decrease of 5.2 percent compared to August. This means that the price of pellets has halved compared to the previous year. The downward price curve, which is unusual for this time of year, can still be traced back to the energy crisis last year. The cost of one kilowatt hour (kWh) of heat from pellets is 7.65 cents, which means a price advantage of 34 percent compared to heating oil and around 28 percent compared to natural gas.

3. Ecology and Miscellaneous

3.1. Forest Condition

– Spruce in particular suffered from the droughts of recent years, even in locations with a good water supply and at higher altitudes in the low mountain ranges, which were previously considered very suitable for the growth of spruce forests. The vitality of the common Scots pine, which has so far been considered a beacon of hope in the face of climate change, is also suffering. Only 13 percent of the pines are healthy. The deciduous trees also suffer from

– a lack of rainfall and high temperatures. With a share of 45 percent of significantly damaged crowns, the beech has the largest share in this damage class in a direct comparison. The state of vitality of the beech must therefore continue to be assessed critically. There is no improvement in the oak either; the development is comparable to that of the

previous year. The proportion of significant crown damage is 40 percent.

– 2022 also turned out to be a year with significant fruit formation, which affected crown vitality in addition to the weather and nutrient supply. The continued high nitrogen inputs and partially acidic forest soils have an additional negative impact on the trees' heat tolerance.

– The negative condition of the forest is also clear from the proportion of dead wood in the sampling. This is now at a new high of 3.5 percent. The removal rate, i.e. the proportion of trees that have died since the last survey, is also higher than ever before at 6.7 percent. The reasons for elimination are diverse and range from bark beetle damage to drought damage, wind throw and partial or complete leaf loss.

sources:

[1] https://www.bmwk.de/Redaktion/EN/Pressemitteilungen/Wirtschaftliche-Lage/2023/20230714-the-economic-situation-in-germany-in-july-2023.html

[2] https://www.zdb.de/baukonjunktur/konjunkturprognose-2023

[3] Graph 1 from GD Holz Company Comparison, Edition July 2023

[4] Graphs 2-7 from GD Holz Foreign Trade Statistics brochure, edition 2023

[5] https://www.moebelindustrie.de/en/press-releases/4082/deutsche-moebelindustrie-erwartet-fuer-das-jahr-2023-ein-umsatzminus-von-5-bis-7-prozent.html

[6] https://depv.de/p/Brennstoffkosten-in-Deutschland-August-2023-qmMdKkQNfRzfsnqEYDoLex

[7] https://www.bmel.de/SharedDocs/Pressemitteilungen/DE/2023/030-waldzustandserhebung.html

ITALY **user**

General economic information

	Unit	**2022**	**2023**	**2024**
Population (million)	million	59,03	58,85	n.a.
GDP Growth (%)	%	3,7	0,8	n.a.
Inflation Rate (%)	%	8,1	5,7	n.a.
Unemployment Rate (%)	%	7,8	7,6	n.a.
Construction industry				
Building permits (units)	units	59.904	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	1,1	2,7	n.a.
Average working time in sawmilling (h/week)	h/week	40	40	n.a.

Sawn softwood

	Unit	**2022**	**2023**	**2024**
Production	1.000 m³	950	855	n.a.
Imports	1.000 m³	4.608	4.170	n.a.
Exports	1.000 m³	104	217	n.a.
Consumption	1.000 m³	n.a.	n.a.	n.a.

Softwood logs

	Unit	**2022**	**2023**	**2024**
Production	1.000 m³	n.a.	n.a.	n.a.
Imports	1.000 m³	580	361	n.a.
Exports	1.000 m³	217	237	n.a.
Consumption	1.000 m³	n.a.	n.a.	n.a.

By-Products

	Unit	**2022**	**2023**	**2024**
Sawdust production	1.000 m³	n.a.	n.a.	n.a.
Chips production	1.000 m³	n.a.	n.a.	n.a.
Bark production	1.000 m³	n.a.	n.a.	n.a.
Pellets production	1.000 tonnes	n.a.	n.a.	n.a.

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	**2022**	**2023**	**2024**
Softwood	Range 1-5	2	2	1

Capacity increases/decreases

	Unit	**2022**	**2023**	**2024**
Softwood	1.000 m³	n.a.	n.a.	n.a.

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	**2023 vs 2022**	**2024 vs 2023**
Softwood logs	% vs previous year	n.a.	n.a.
Energy	% vs previous year	-20,0	increasing
Transport	% vs previous year	10,0	increasing

Price development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	**2023 vs 2022**	**2024 vs 2023**
Sawn softwood	% vs previous year	-10,0	-15,0
Chips	% vs previous year	n.a.	n.a.
Sawdust	% vs previous year	n.a.	n.a.

Source: Fedecomlegno

Market Statement

THE ITALIAN ECONOMY

GDP

The Italian economy lagged behind other major European countries in the second quarter. After adjusting for calendar effects and seasonality, and using 2015 as the reference year, GDP fell 0.3% on a quarterly basis, but rose 0.6% in the prior quarter, leading to acquired growth of 0.8% for 2023. This downturn reflects a decrease in industrial sector added value, and a minor uptick in the services sector. On the demand side, the domestic component (excluding stocks) had a negative impact; net foreign demand was flat.

INDUSTRIAL OUTPUT

Stripping out seasonal effects, the June industrial production index (excluding construction) returned a positive 0.5% quarterly change. This was the second positive figure after a significant April decline. However, the second quarter showed a negative 1.2% change compared to the three prior months. Intermediate and consumer goods industries posted major decreases, with declines of 1.6% and 1.3% quarterly, respectively. In contrast, the energy sector suffered a slightly lesser decline of 1.1%. Capital goods posted a moderate 0.3% decline. In May, the construction sector faced its second successive drop, with the quarterly production index falling 0.7%. Quarterly production levels between March and May underwent an even larger decline. Construction production fell 2.3% compared to the previous three months, the worst performance since December 2021.

EMPLOYMENT AND UNEMPLOYMENT

Labour market conditions were positive. In June, employment rose to a total of 23,590,000. Employment among men was up 0.4%, women up 0.3%, and notably in the 25-34 age group,

up 0.8%. Deeper analysis reveals growth in permanent and fixed-term employment. However, self-employment decreased. The employment rate climbed to 61.5%. Although still notably lower than other major European countries, it marked a 0.2 point rise from May, and a 1.1 point rise from June 2022. Unemployment in June dropped 2.3% from May, impacting all age groups and genders. The number of unemployed individuals decreased 178,000 from June 2022. On a monthly scale, the overall unemployment rate fell to 7.4%, down 0.2 points. Meanwhile, the youth unemployment rate was down 0.4 points to 21.3%. Yearly, unemployment rates decreased by 0.8 points overall, and 2.2 points for young individuals.

PRICES

Preliminary July estimates are for a 6.0% year-on-year change in the NIC index, down from 6.4% in June. For 2023, growth was 5.7%, slightly down on 5.6% from the previous month. Specifically, goods and services components showed signs of slowdown due to weakening domestic demand and the impact of stricter financial conditions. Pressure continued to reduce unregulated energy prices (now 7.0%, down from 8.4%). Processed food items also registered a deceleration (now 10.9%, down from 11.5%). On the other hand, unprocessed

food item prices increased, moving to 10.4% from 9.4%, contributing to a stable food item price growth rate. Other non-energy goods continued to decline in price. In July, services prices also decelerated, dropping to 4.1% from 4.5%. One significant reason for this was a drop in transport service prices, which declined to 2.4% (from 4.7%). Excluding volatile price components, core inflation posted a downward trend, decreasing to 5.2% in July from 5.6% in June. The shopping basket, which includes prices for food, personal care, and home care, experienced a slight deceleration in July: 10.4%, compared to June's 10.5%. The slowdown has become more pronounced since the start of 2023, with rates of 12.6% and 11.2% in the first and second quarters respectively.

BUILDING PERMITS

In 2021, a record 64,673 building permits were issued for new homes, including expansions. This was the highest number since 2013. The data for 2022 showed a modest 0.6% increase from the previous year. The first half of the year was highly dynamic, with growth of 13.5% compared to the same period in 2021. However, the second half trend moved in the opposite direction, declining 12.9%. Permit numbers began decreasing in the 3rd quarter with a 13.4% drop. This continued into the 4th quarter with a 12.5% reduction.

Graph: 10 New homes from building permits

Years 2011-2022 Number of new homes by type
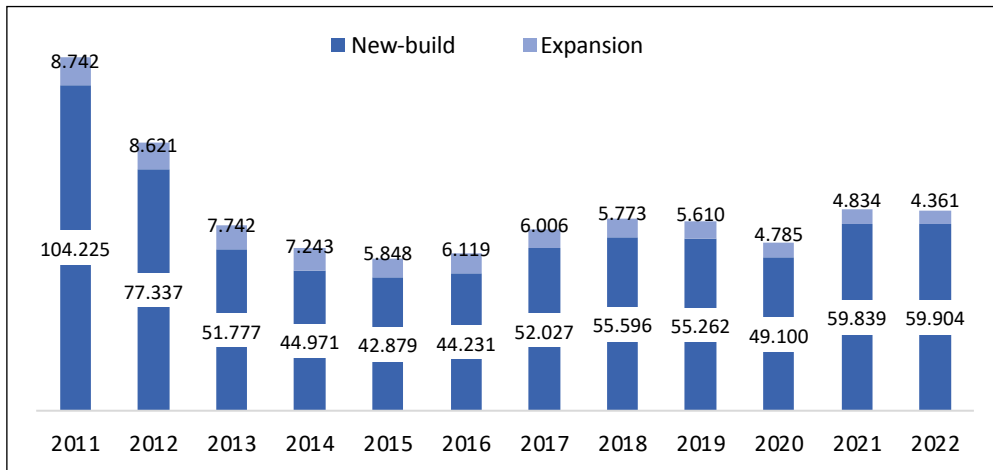
Source: Centro Studi FederlegnoArredo based on Istat data.

ISTAT – RESIDENTIAL BUILDING PERMITS

Summary of New Homes in 2022*

New-build	18,698	-1,5% on 2021
New homes	59,904	+0,1% on 2021
Av. no. homes per lot	3,2	
Average home surface area	85,7 m²	
Average no. of rooms	3,5	
Average no. ancillaries	3,6	

***Only in new buildings (excluding new homes under expansion)**

The construction sector in Italy: trends

- For the construction industry, 2021 was a record year: the construction industry in Italy recorded a turnover of 148 billion euros, of which 60% was in residential construction and 40% in public works.
- In this context, timber construction recorded a turnover of almost 1.8 billion euros, with growth of +33% compared to the previous year (for the sake of completeness, it should be noted that traditional construction grew by +20% in the same period);
- Thanks to the tax incentives, and with particular reference to the 'Superbonus 110%', according to the analyses carried out, timber structures were involved in many of the demolition and reconstruction projects, thanks above all to the speed of construction, to the smaller footprint of the building site in urban areas and thanks to the sustainability characteristics and the better contribution in terms of ESG 'score' of the real estate developers who have chosen timber for their new investments in urban and other areas.
- In 2022, investments in the construction sector will confirm the positive momentum that has been under way since 2021, after the setback recorded in the year of the pandemic. Indeed, in its latest national accounts data, Istat (the Italian national statistics agency) records a significant +12.4% increase in the sector's production level for 2022.
- For 2023, the overall level of investment is still expected to be very high, although it will fall by -5.7% compared with the exceptional levels reached in 2022. This result is the combined effect of the lack of an expansive contribution from extraordinary maintenance (-24% compared to 2022), following the changes made to the 'Superbonus 110%', and the substantial freeze in the allocation of tax credits, which has not yet been adequately resolved.
- On the other hand, the forecast includes a significant increase in investment in public works (+25%), mainly linked to the implementation of the PNRR (National Recovery and Resilience Plan).
- As regards what the market senses, according to the Association's base, 2024 will be a complex year, mainly due to a gradual increase in the interest rates on loans (for both individuals and companies) and inflation, which is still at record levels (+8/9%).
- There is, however, some optimism in the medium term, again from member companies, due to EU policy on the renovation of existing buildings, with the gradual introduction of the EPBD directive on energy efficiency and the promotion of bio-based materials within these processes.

THE WOOD-FURNITURE SUPPLY CHAIN IN 2022

Production turnover across the entire Wood-Furniture supply chain increased 12.6% overall, up from €50.2 billion in 2021 to €56.5 billion in 2022, compared to €43.2 billion in 2019. The year began with strong first quarter momentum, which gradually waned as the months went by. Worth €23.5 billion, the Wood Macrosystem contributed to growth with an increase of 14.3% compared to 2021. At close to €29 billion, the Furniture Macrosystem was another significant driver, up 11%. Additionally, the Wood Trade, worth €4 billion, totted up 15% growth. Rising production costs from energy to raw materials posed a significant challenge to growth. In 2022, costs played an even more crucial factor in determining company profitability than in 2021.

The overall change in turnover summarizes the performance on both the domestic market, which reached €35.6 billion (up 12.2%), and exports, up 13.3% to €21 billion. Exports continue to represent 37% of total sales, as was the case last year.

Notably, after nearly a decade of almost negligible inflationary effects on production values, prices began increasing consistently in late 2021. It is important to identify and separate this increase from growth rates measured to determine actual variations in Italian supply chain output.

The domestic market registered 12.2% growth. This was, in particular, attributable to positive Wood Macrosystem performance, driven by the building finishes sectors (doors, windows, wooden floors), and in the Furniture Macrosystem, stand-out performance by the Furniture System. Both of these segments directly benefitted from a range of incentives: the 110% Superbonus, Furniture Bonus, and other tax incentives have ensured many companies receive above-average orders.

In terms of exports, growth was primarily driven by the United States, surpassing Germany to become the second-largest destination for Italian exports, including at supply chain level, and France, which is still, however, Italy's number one Wood-Furniture supply foreign market, especially within the Furniture Macrosystem. In the Wood Macrosystem, Germany precedes France as lead foreign market.

The value of imports grew by 30% in 2022. This increase was driven by more substantial provisioning costs, primarily from China (main supplier to the supply chain and Furniture Macrosystem) and Austria (the number two supplier to the supply chain, and primary Wood Macrosystem supplier), as well as from other major supply markets. This significant change may be ascribed to increased imports from the Furniture Macrosystem, amounting to almost €5.4 billion (up 17.7%). However, the most substantial impact was in the Wood Macrosystem, with imports totalling over €7.1 billion (up 38.9%), largely due to the more significant impact of rising raw material costs in this sector. Strong raw material demand, since 2021 as a result of high output levels, combined with a shortage of certain crucial materials following the outbreak of war between Russia and Ukraine on 24 February 2022, have raised costs further still, exacerbated in 2022 by increases in energy and logistics prices.

Apparent domestic consumption amounted to just under €49.2 billion; at supply chain level, significant growth was registered in 2022, increasing 16.6% compared to 2021 (Furniture Macrosystem up 11.5%, Wood Macrosystem up 20.2%). Over 70% of Italian consumption value is accounted for by national output, albeit at varying trends across different sectors.

The Italian Wood-Furniture sector encompasses some 68,000 companies and employs just under 298,000 people in total. As in 2021, in 2022, the system took on an increased number of employees (up 1.4%), especially within capital companies. At the same time, the number of companies fell 2.9%, primarily among non-capital companies. In employment terms, the decrease in the number of companies is bolstering larger companies. The change in the number of employees only takes into account expansion; it does not reflect overall demand within the sector, which includes a significant replacement component. Currently, the Wood-Furniture sector represents 4.6% of Italian domestic manufacturing turnover, accounting for 14.9% of all total companies, and employing 8% of the workforce.

LATVIA Producer

General economic information

	Unit	2022	2023	2024
Population (million)	million	1,9	1,9	1,9
GDP Growth (%)	%	2,5	1,0	2,5
Inflation Rate (%)	%	16,5	10,0	2,2
Unemployment Rate (%)	%	6,9	6,5	6,9
Construction industry				
Building permits (units)	units	4.668	4.200	3.270
Housing starts (units)	units	2.656	2.230	1.700
Housing completions (units)	units	n.a.	n.a.	n.a.
Wage development (%)	% vs previous year	8,0	12,0	5,0
Average working time in sawmilling (h/week)	h/week	n.a.	n.a.	n.a.

Sawn softwood

	Unit	2022	2023	2024
Production	1.000 m³	2.847	2.230	2.250
Imports	1.000 m³	803	450	400
Exports	1.000 m³	2.870	2.000	2.000
Consumption	1.000 m³	780	680	650

Softwood logs

	Unit	2022	2023	2024
Production	1.000 m³	5.102	4.120	4.300
Imports	1.000 m³	1.147	880	700
Exports	1.000 m³	549	500	400
Consumption	1.000 m³	5.700	4.500	4.600

By-Products

	Unit	2022	2023	2024
Sawdust production	1.000 m³	453	355	358
Chips production	1.000 m³	2.619	2.052	2.070
Bark production	1.000 m³	342	268	270
Pellets production	1.000 tonnes	1.980	1.900	1.900

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	2022	2023	2024
Softwood	Range 1-5	3	2	2

Capacity increases/decreases

	Unit	2022	2023	2024
Softwood	1.000 m³	0	30	0

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing

	Unit	2023 vs 2022	2024 vs 2023
Softwood logs	% vs previous year	-15,0	stable
Energy	% vs previous year	-20,0	increasing
Transport	% vs previous year	declining	increasing

Price development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing

	Unit	2023 vs 2022	2024 vs 2023
Sawn softwood	% vs previous year	-35,0	-10,0
Chips	% vs previous year	-24,0	n.a.
Sawdust	% vs previous year	-1,0	n.a.

Source: Latvian Timber Producers and Exporters Association

Market Statement

Looking to 2023, it must be understood that 3 very complex changes are taking place in Latvia:

1. the construction crisis in Europe, which is similar to all of us at EOS
2. the fight against the spruce bark beetle, which requires very careful handling of healthy spruce stands
3. ending imports from Russia and Belarus, which were an important source of raw material (mainly in the form of lightly processed softwood sawn materials) for the Baltic States

At the moment, the situation is very difficult. Production volumes have been reduced by ~20%, turnover in monetary terms has fallen even more due to low prices. However, I would like to point out that the decrease in the export of sawn material is greater due to the decrease in imports. Our planing, profiling and similar processing companies, which primarily worked with Russian/Belarusian timber, have reduced production much more rapidly than sawmills.

Speculations that the bark beetle will cause a large volume of cheap logs to flow into Latvian sawmills are highly unlikely, as both the structure of the forests and the tools used by this pest are different from Central Europe.

Although the current situation is very difficult and the market is starting to resemble the one experienced in the previous big financial crisis, the Latvian sawmill sector "enters" it with much better financial security and technological preparation. Therefore, even if we look pessimistically at Y2024, the development of the industry has not stopped. In the medium-long term, the Green Deal's attitude towards European forestry and over-bureaucratization of processes is much more frightening.

THE NETHERLANDS user

General economic information

	Unit	2022	2023	2024
Population (million)	million	17,59	17,91	18,0
GDP Growth (%)	%	4,3	0,7	1,4
Inflation Rate (%)	%	11,6	4,1	3,9
Unemployment Rate (%)	%	3,5	3,6	4,0
Construction industry				
Building permits (units)	units	74.217	70.000	65.000
Housing starts (units)	units	n.a.	n.a.	n.a.
Housing completions (units)	units	71.750	69.000	66.000
Wage development (%)	% vs previous year	3.2	5.9	5.4
Average working time in sawmilling (h/week)	h/week	n.a.	n.a.	n.a.

Sawn softwood

	Unit	2022	2023	2024
Production	1.000 m³	115	115	115
Imports	1.000 m³	2.658	2.473	2.399
Exports	1.000 m³	515	500	485
Consumption	1.000 m³	2.259	2.103	2.049

Softwood logs

	Unit	2022	2023	2024
Production	1.000 m³	n.a.	n.a.	n.a.
Imports	1.000 m³	n.a.	n.a.	n.a.
Exports	1.000 m³	n.a.	n.a.	n.a.
Consumption	1.000 m³	n.a.	n.a.	n.a.

By-Products

	Unit	2022	2023	2024
Sawdust production	1.000 m³	n.a.	n.a.	n.a.
Chips production	1.000 m³	n.a.	n.a.	n.a.
Bark production	1.000 m³	n.a.	n.a.	n.a.
Pellets production	1.000 tonnes	n.a.	n.a.	n.a.

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	2022	2023	2024
Softwood	Range 1-5	n.a.	n.a.	n.a.

Capacity increases/decreases

	Unit	2022	2023	2024
Softwood	1.000 m³	n.a.	n.a.	n.a.

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
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 (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
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: VVNH / Netherlands Timber Trade Association

Market Statement

General Economic Situation

The year 2022 has been a year of two halves. In the first half, the economy was still running at full steam, with the result that full-year growth amounts to 4.2%. The second half saw GDP growth turn into a slight contraction due to high inflation and lower world trade growth. The positive impact of the reopening of the economy after the final COVID-19 measures were lifted gave way to persistent uncertainty and sharply higher energy prices during the year. Whereas the economy was still running at full steam in the first half of 2022, unemployment had been rising slowly since the summer and economic growth turned to a contraction in the second half of the year. Gross domestic product (GDP) nevertheless grew by an average of 4.2% in full-year 2022, mainly due to the strong recovery in late 2021 (carry-over effect) and growth in the first two quarters. With the exception of 2021 (4.9%), this is the highest growth rate recorded since 2000. Economic Developments and Outlook (dnb.nl)

However, this development was accompanied by historically unprecedented inflation of 11.6% in the Netherlands, (and 8.4% in the euro area). These high rates of inflation had their origins in the post-pandemic recovery and the sharp rise in energy and commodity prices following the Russian invasion of Ukraine. Inflation was a contributory factor in the unparalleled fall in consumer confidence and, to a lesser extent, business confidence. It also led to a sharp loss of purchasing power, especially among lower-income households, and rising costs for energy-intensive companies in particular. Together with the general uncertainty, this led to a cooling of the economy in the second half 2022.

Over half of the economic growth in 2022 was contributed by households and their inclination to buy. Households mainly increased their spending on sectors which were hit hard

in 2020 and 2021 as a result of coronavirus measures. Consumers had enough income to spend on goods and services despite higher prices. In 2022 (adjusted for price changes), consumers spent 6.6 percent more than in 2021; an historically large increase. They mainly spent more on services such as accommodation and food services, recreation, culture, transport and communication. Society was reopened for most of 2022, whereas a hard lockdown applied for almost half of the year 2021.

As in 2020, movements in the pandemic and the related containment measures are causing strong labour market dynamics in 2021. Although the labour market became very tight shortly after the coronavirus recession, unemployment rate remains fairly stable at a 4.2% in 2021 (4.9% in 2020)

and is 3.5% over 2022. Wages did not rise as fast as inflation, but households worked many more hours; 441 thousand new jobs were added in 2022. Nearly 10 million people in the Netherlands are in paid employment. The Dutch labour market is strong, but tight. There is a huge shortage of staff in various sectors such as ICT, construction, healthcare and education. At the end of March 2023, there were 437,000 vacancies, well above the average of 181,000 since records began in 1997.

Additional to these indicators, purchasing power increased by 0.3% in 2021 and decreased to -2.7% in 2022.

Main economic indicators are presented in table 1, showing the historic trend over recent years and a forecast for 2023/2024.

Table 1: Dutch economic indicators

Indicator	Unit	2019	2020	2021	2022	2023	2024
GDP (1)	%	2.0	-3.9	6.2	4.3	0.7	1.4
Euro (dollar/euro) (1)	Ratio	1.12	1.14	1.18	1.05	1.09	1.11
Inflation (1)	%	2.7	1.1	2.8	11.6	4.1	3.9
Purchasing power	%	1.0	2.5	0.9	-2.7	-1.1	1.9
Unemployment (1)	x 1000	314	465	408	350	360	410
Unemployment rate	%	3.4	4.9	4.2	3.5	3.6	4.0
Investments (2)	%	7.7	-6,3	4.7	1.0	2.6	0.1
Building permit granted(3) (4) (5)	Number	58,108	67,136	75,590	74,217	70,000	65,000
Ditto	%	-17.0	15.5	12.6	-1.8	-5.7	-7.1
House-build completed(3) (4) (5)	Number	71,548	69,985	71,221	71,750	69,000	66,000
Ditto	%	7.5	-2.2	1.0	0.7	-3.8	-4.3

1) CPB, 2022. Augustus raming 2023: kerngegevenstabel 2021-2024 CPB (Netherlands Bureau for Economic Policy Analysis), The Hague, the Netherlands.

2) Including stocks.

3) CBS Statline, July 2023.

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

5) Figures not according to new registrations BAG 2.0. According to this new method of measuring 75.000 for 2023 and 72,000 houses for 2024 should be completed.

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.

Mortgage rates have been rising since 2022. Combined with a slumping economic outlook, this has caused the housing market to cool since the summer of 2022. Construction output grew by 3% in 2022. New construction of non-residential buildings increased sharply by 7% in line with the growth in permit approvals, while residential construction grew by 2½%. For new residential construction, growth was well below

expectations at the beginning of last year. Not only were permits granted disappointing, the lead time from permit to realisation also increased due to execution problems. Maintenance of residential and non-residential buildings lagged behind structural growth.

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 extend 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 (-59) was reached in September and October 2022. This is according to CBS

2022 the lowest level since measurement began in 1986. The estimated high inflation rate (11,4%) among others probably plays a role in the reduced consumer confidence. Consumers are slightly less gloomy in November onwards, in December it stands at -52.

Figure 1: Consumer confidence trend in the period from 2008 to the first seven months of 2023
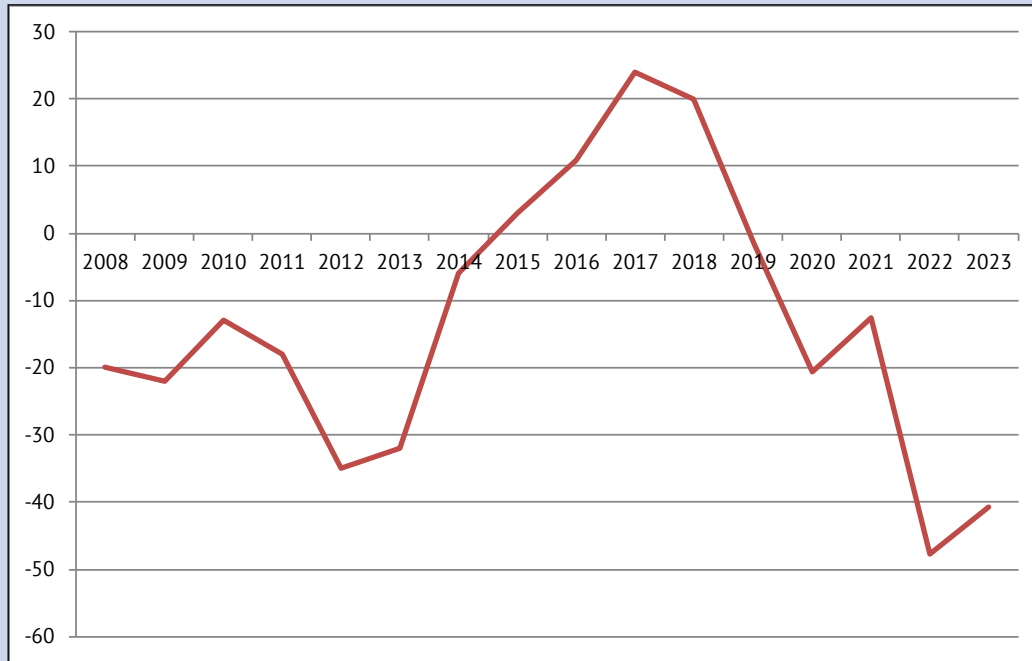
(Source: CBS Statline edited by Probos)

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.

Due to the many coinciding economic and political developments on national and international level in recent years, combined with the change in HS-codes, the trade statistics of 2022 in the Netherlands are considered of less high quality compared to other years. This was especially

the case for trade with Russia and Belarus in the beginning of 2022. Corrections in data had to be made based on other trade statistics and export judgements. Hence the numbers presented below contain some level of uncertainty and should be interpreted with care.

With this in mind; in 2022 imports of sawn softwood decreased by 12% while exports increased with 32% compared to 2021. This resulted in a heavy decrease in apparent consumption. Rough sawn softwood has a share of roughly 60% 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 2009-2022 and expectations for 2023 and 2024.
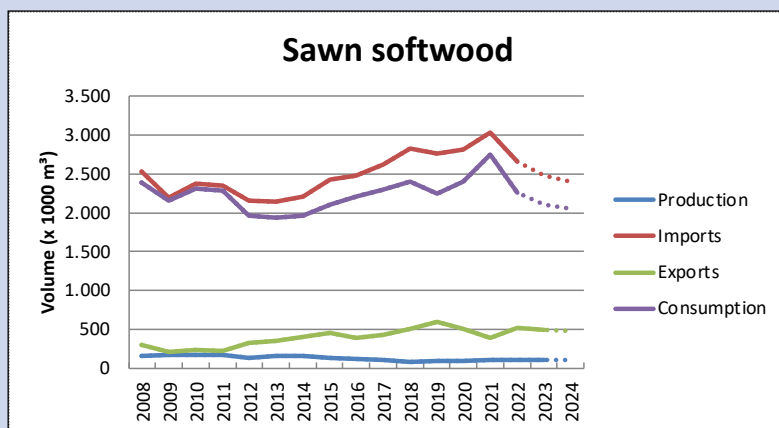
(Source: CBS trade statistics edited by Probos, Probos roundwood survey and NTTA estimates and forecasts)

Table 2: Sawn softwood imports (volume in m³)

| Countries | 2021 | | | | 2022 | | | | | | |
	Sawn	Planed	Total	%	Sawn	Planed	Total	%	Sawn	Planed	Total
Sweden	301.988	527.452	829.440	27%	305.008	532.727	837.735	32%	1%	1%	1%
Germany	419.245	238.642	657.887	22%	413.185	179.139	592.324	25%	-1%	-25%	-10%
Finland	197.956	82.374	280.330	9%	183.703	76.443	260.146	10%	-7%	-7%	-7%
Russia	219.078	119.977	339.055	11%	161.536	88.464	250.000**	5%	-26%	-26%	-26%
Belarus	134.853	8.935	143.788	5%	99.433	6.588	106.021**	4%	-26%	-26%	-26%
Latvia	70.035	85.525	155.560	5%	59.971	38.831	98.802	4%	-14%	-55%	-36%
Belgium	113.498	29.567	143.065	5%	68.729	24.408	93.137	4%	-39%	-17%	-35%
Estonia	35.536	46.002	81.538	3%	31.627	40.942	72.569	3%	-11%	-11%	-11%
Poland	68.538	24.548	93.086	3%	40.735	10.814	51.549	2%	-41%	-56%	-45%
Ukraine	31.427	1.637	33.064	1%	46.862	1.300	48.162	2%	49%	-21%	46%
Other	172.710	101.985	274.695	9%	176.997	71.432	248.429	8%	2%	-30%	-10%
Total	**1.764.864**	**1.266.645**	**3.031.509**		**1.587.786**	**1.071.087**	**2.658.873**		**-10%**	**-15%**	**-12,30%**

* Other (2022): This group consists of 44 countries with exports to the Netherlands of less than 43,000 m3
(Source: CBS trade statistics edited by Probos and international trade statistics of Sweden, Germany, Finland and Latvia for verification)

** Estimates by Dutch Delegation.

With the corrections and uncertainties in mind, the top 10 countries for softwood import in the Netherlands remains unchanged compared to 2021 (table 2). Within the top 10 countries some changes did occur; Estonia surpassed Poland as the 8th most important country for softwood import. Sweden and Germany remain by far the foremost suppliers of softwood timber to the Netherlands. In general the imports decreased significantly. This is reflected in the individual imports of almost all countries. Only Sweden and are the exceptions with increased export of 1% and 46% respectively to the Netherlands. All other countries show significant decreases. Russia and Belarus show estimated decreases of approximately 25%. This is directly related to the restrictions due to the war in Ukraine. The total import of sawn softwood in the Netherlands decreased by 12.3% in 2022 compared to 2021.

2023 and 2024 Forecast[1][2]

The economic cycle has followed the trend in the recent Dutch summer weather. Due to the many coinciding economic and political developments on national and international level forecasts are very hard to make and need to be viewed with the utmost care.
After an exuberant 2021 and 2022, the economy has cooled down in 2023. High inflation is persisting, causing purchasing power to decline again this year, with household spending under pressure. This pressure is nevertheless being eased by persistent labour shortages, a pick-up in wage growth and government support. Government consumption and investment is providing additional economic stimulus. After GDP growth of

4.3% in 2022, the economy is set to grow by 0.7% in 2023 and 1.4% in 2024. This cooling down of the economy should reduce the labour shortages and high inflation somewhat.

According to the forecasts of the CPB (Central Bureau for Planning) the inflation is falling, but it will remain high for now. The inflation shock originally came from rising energy and food prices, caused in part by the war in Ukraine. Inflation was previously expected to fall rapidly, but is now proving more persistent. Core inflation will indeed fall in 2024, but will remain high (3.5% in 2024 vs 5.7% in 2023). In 2024, there will also be no repeat of the negative contribution that falling energy prices were still making to CPI (consumer price index) in 2023. CPI inflation in 2024 is therefore expected to be 3.8%. Dutch inflation is thus expected to remain somewhat higher than the European average.

With the global economy growing relatively slowly, Dutch exports will also show less spectacular growth than in recent years. Global GDP growth will fall in 2023 and 2024 to 2.5% and 2.8% respectively, partly due to pressure from high inflation worldwide. Demand for goods is also declining worldwide after rising sharply during the coronavirus years. This has been evident in global trade for some time, although services trade has continued to grow substantially. Since goods trade is growing less than in previous years, the growth of Dutch exports, also of re-exports, will decline. Re-exports have provided the biggest stimulus to Dutch exports in recent years.

Production in the industrial sector in the Netherlands fell by 7.7% between June 2022 and June 2023, returning to the early-2021 level. Aside from the lower demand for goods, the

1 CPB Publication- Concept Macro Economic Outlook 2024 (Projections August 2023 cMEV 2024)
2 CPB, 20230 Main Economic Indicators 2021-2024. (Netherlands Bureau for Economic Policy Analysis), The Hague, the Netherlands

fall is due in part to higher energy prices, which have led to full or partial closures of a number of businesses. Another factor is that businesses have accelerated their destocking in response to lower demand for goods. Monetary authorities are trying to curb demand for goods and services to bring inflation down. For example, the ECB announced on 27 July 2023 that it would raise its policy interest rate by a further 25 basis points to 3.75%. As a result, banks are now also charging higher interest on loans to businesses. This is weighing on business investment, which is expected to grow by 0.4% in 2024. The decline in demand for goods and services is also a factor. Mortgage interest rates have also risen sharply. This is one of the drivers of falling house prices (cumulative fall of -10.4% during 2023 and 2024). This in turn contributes to a contraction in housing investments.

The number of bankruptcies is now rising slightly and private sector employment will cease growing during the projection period. Unemployment will nevertheless remain low next year. The number of job vacancies remains high, so people who lose their job (in one sector) should find another job fairly easily (possibly in another sector). Since this kind of job move usually takes time, unemployment will rise slightly (4.0% in 2024). Not only are contract wages in the private sector rising (5.9% in 2023 and 5.4% in 2024), but incidental pay is also increasing. This points to an improvement in the negotiating position of workers. Higher wage rises can lead to reallocations in the labour market: businesses with lower productivity may have to let more staff go and some businesses will also have to cease trading.

Wage rises could thus contribute to a reallocation that increases productivity growth. The labour income share fell in 2022 and is set to fall further in 2023 before increasing again somewhat in 2024. This trend and the sharp rise in corporate tax receipts suggest that there is still some margin for wage increases at the macroeconomic level. Profitability has not increased everywhere, however, with substantial differences between sectors. Partly as a result of this, wage rises will feed

through to core inflation to some extent. This effect will differ depending on the sector.

A partial recovery of purchasing power is expected in 2024 after the losses in 2022 and 2023. Median purchasing power is expected to fall this year as inflation remains high. The alternative CPI, based on the new energy price measurement method used by Statistics Netherlands since 2021,4 is 7.8% in 2023. Despite wage rises and supplementary purchasing power measures, this means that purchasing power falls by 1.1%, before increasing again in 2024. Despite the ending of the energy price cap, inflation (based on the alternative measurement method) turns out much lower than in 2023, at 3.6%.

The ING bank expect Dutch construction volumes to experience slight growth of 0.5% for 2023. A small contraction was previously anticipated. However, unexpectedly high growth in the first quarter of this year has led to the possibility of ending 2023 with a small increase. The high growth in energy-saving measures in the installation industry is likely to decline due to falling energy prices, thereby removing this support pillar for the entire construction industry. Moreover, the late cyclical nature of the sector will start to take effect in the months ahead. Signs of cooling are already evident at the beginning of the construction value chain, with a visible contraction in project development and the production of building materials such as concrete, cement, and bricks. This trend will continue further down the supply chain. As a result, we expect a contraction of 2.5% in Dutch construction output of traditional building systems next year, the largest decline since 2013. Many construction companies still report production hindrances due to labour shortages, although this has decreased. Previously, urgent labour shortages were reported by 25% of construction entrepreneurs, but in June this was only the case for 13%. The number of companies expecting to hire new employees has also significantly decreased to 4%. Construction companies are likely preparing for reduced activities in 2024 on the one hand, but investing in prefabrication and timber building on the other. Over the last 2 years nearly all large building companies have

invested in timber house production locations focussing on supplying more bio-based buildings and prefabrication. This has resulted in a doubling of the number of wooden houses, from a traditional market share of approximately 3,5%, to 6% in May 2023 (Buildsight, 2023). This rise is expected to continue the coming years based on the many different initiatives to increase the share of bio-based and wooden buildings in major urban areas and cities (e.g. Circlestad, Lenteakkoord 2.0, MRA) Metropole Region Amsterdam focusses, for example, on an increase in wooden residential houses of 20% .

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 m³)	Year	2019	2020	2021	2022	2023	2024
Production		90	95	110	115	115	115
Imports		2,76	2,818	3,032	2,659	2,473	2,399
Exports		602	509	391	515	500	485
Stock beginning of year		320	320	300	300	300	300
Availability (= 1+2-3+4)		2,568	2,704	3,051	2,559	2,388	2,329
Stock end of year		320	300	300	300	285	280
Apparent consumption (= 5-6)		2,248	2,404	2,731	2,259	2,103	2,049

% change on previous year	2019	2020	2021	2022	2023	2024
Production	9,80%	5,60%	15,80%	4,50%	0,00%	0,00%
Imports	-2,40%	2,10%	7,60%	-12,30%	-7,00%	-3,00%
Exports	17,50%	-15,40%	-23,20%	31,70%	-3,00%	-3,00%
Imported stock beginning of year	0,00%	0,00%	-6,30%	0.0%	0,00%	0,00%
Availability	-5,50%	6,10%	12,00%	-16,10%	-6,70%	-2,50%
Imported stock end of year	0,00%	-6,30%	0,00%	0,00%	-5,00%	-1,80%
Apparent consumption	-6,20%	7,80%	13,50%	-17,90%	-6,90%	-2,60%

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

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 2022 96,4% 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 and Belarus, the level of certified timber could be kept high level. Hardwood- and panel product imports showed the following results: hardwood 63,5% (2008: 19%) and panel products 94,3% (2008: 49%).The overall score in 2022 met with 92,2% timber from a certified sustainably managed source.

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 was also successful in 2021, 2022 and 2023 and most probably to be continued in a updated mode from 2024. The focus is gradually changing from ''the benefits of wood '' to focussing on actual use of timber and timber products in building and Civil Engineering, using different channels like: radio, video's, blogs, whitepapers and daily posts, using www.houtnatuurlijkvannu.nl as platform.

Since 2022 Centrum Hout evolved into a project organisation dedicated to coordinate activities focussing on, among others: sustainable produced timber use, EUDR, LCA, Circular Economy and Education.

Environmental data: along with the booming interest in building with wood in the Netherlands since 2019, comes the need to generate more Environmental data on building materials and building systems. In the Netherlands building permits need to be accompanied by a calculation of the Environmental costs impaired by the building. A special calculation tool (MPG – Environmental Calculation Buildings) has been developed using an Environmental database containing Environmental profiles of concrete, metals, plastics and last but not least timber. 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, etc. 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. The first EPD's have been published in the Dutch Environmental Database.

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 has shown a 66% recycling rate for wooden packaging in 2021. This is even above the Dutch target set in a sector wide agreement The Dutch government has, in its pursuit of a 100% circular in economy in 2050, set new targets for reuse and recycling of all packaging of 74% by 2025. For wooden materials this combined target, both reuse and recycling, is set at 55% by weight. With the current combined level of 66%, the wood packaging industry is well on track, but in no way sitting back as rules have to stay economic viable and realistic, according to Stichting Kringloop Hout (SKH), representative of the Dutch stakeholders within the wooden packaging industry.

NORWAY Producer

General economic information

	Unit	2022	2023	2024
Population (million)	million	5,5	5,5	5,5
GDP Growth (%)	%	3,3	1,3	1,6
Inflation Rate (%)	%	5,8	5,6	3
Unemployment Rate (%)	%	3,2	3,7	3,8
Construction industry				
Building permits (units)	units	29.727	20.000	23.000
Housing starts (units)	units	23.199	18.000	20.000
Housing completions (units)	units	28.056	24.000	20.000
Wage development (%)	% vs previous year	4,6	5,3	4,9
Average working time in sawmilling (h/week)	h/week	37.5	37,5	37,5

Sawn softwood

	Unit	2022	2023	2024
Production	1.000 m³	2.705	2.500	2.500
Imports	1.000 m³	817	650	700
Exports	1.000 m³	843	980	1.000
Consumption	1.000 m³	2.679	2.170	2.200

Softwood logs

	Unit	2022	2023	2024
Production	1.000 m³	6.650	6.000	6.000
Imports	1.000 m³	110	80	80
Exports	1.000 m³	2.160	2.000	2.000
Consumption	1.000 m³	n.a.	n.a.	n.a.

By-Products

	Unit	2022	2023	2024
Sawdust production	1.000 m³	n.a.	n.a.	n.a.
Chips production	1.000 m³	n.a.	n.a.	n.a.
Bark production	1.000 m³	n.a.	n.a.	n.a.
Pellets production	1.000 tonnes	n.a.	n.a.	n.a.

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	2022	2023	2024
Softwood	Range 1-5	5	4	4

Capacity increases/decreases

	Unit	2022	2023	2024
Softwood	1.000 m³	50	50	0

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Softwood logs	% vs previous year	5,0	n.a.
Energy	% vs previous year	-30,0	n.a.
Transport	% vs previous year	1,0	n.a.

Price development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
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

Market Statement

General economic outlook – Norwegian economy facing turning point

Activity in the Norwegian economy remains high, and the labour market is tight. 2022 was characterised by high inflation and recovery of economic activity following the pandemic. Since the second quarter of last year, the Norwegian economy has grown at a moderate pace. Meanwhile, inflation has risen to levels not seen since the 1980s. Consumer price inflation has edged down somewhat in the last month, but remains high and markedly above the target. In less than two years the policy rate has increased from 0 to 4 %. This has a tightening effect on purchasing power.

Increase in consumer prices in Norway is also a result of exceptionally high price growth abroad, which has spilled over into Norwegian prices. The weakening of the Norwegian Krone has contributed further to this. The krone has depreciated appreciably over the past year, partly reflecting a larger rise in foreign interest rates than in Norwegian rates and a low interest rate differential. In Q3 the Norwegian Krone has strengthened, which could have a positive impact on curbing inflation. However, if the Krone proves to be weaker than previously projected and pressures in the economy persist, a higher policy rate may be needed to bring down inflation. At the same time, household real disposable income in 2023 is projected to be lower than in 2022, leading to a fall in consumption this year. The saving ratio has moved down from the high levels observed during the pandemic, and the current projections indicate that households will continue to draw on savings this year, according to Norway's central bank.

The construction and housing market

The brakes are on in the construction industry. There is a fall in production, partly owing to weak new home sales. The

association for the house producers reports an alarming decline in housing starts and sales of new homes. 23.000 housing starts in 2022 is considerably less than the need for new homes, estimated at 29.000 a year, and the decline has continued rapidly in 2023. The boom in house price growth that has lasted for several years is curbing, but prices for existing homes have been higher than expected. This could be attributed to fewer new homes being built, and as such a limited number of houses are available in the market. 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

2021 was exceptionally good for the wood industry, with booming market demand. Increased profitability has paved way for investments. The turn in the economy and inflation also affects the wood industry. The cost increase of electricity has been especially high in the southern part of Norway where most of the wood industry is located. Norwegian wood industry seeks opportunities in new markets, and the export is increasing. Climate and environmental targets will turn the future market demand for new houses and buildings towards more renovation. The Norwegian wood industry sees opportunities in upgrading and renovation of buildings. The energy crisis has put on the agenda that buildings should be more energy efficient and underlined the need to cut energy loss from buildings. Wood is a suitable material to adapt and adjust existing buildings, both wooden buildings and those made of other materials such as concrete.

Future forecasts

The war in Ukraine, sharp rise in energy prices and inflation have caused great uncertainty. The current market situation has become even more difficult to assess than the last few years. 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 is 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. The governments currently consider measures to increase energy efficiency of buildings. The wood industry can contribute in renovations to make existing buildings more energy efficient. This represents new opportunities.

POLAND **Producer**

General economic information

	Unit	**2022**	**2023**	**2024**
Population (million)	million	37,8	37,7	37,5
GDP Growth (%)	%	5,1	0,9	3,0
Inflation Rate (%)	%	14,4	12,0	6,6
Unemployment Rate (%)	%	5,2	5,5	5,3
Construction industry				
Building permits (units)	units	298.000	215.000	230.000
Housing starts (units)	units	200.300	160.000	190.000
Housing completions (units)	units	238.490	235.000	240.000
Wage development (%)	% vs previous year	n.a.	n.a	n.a.
Average working time in sawmilling (h/week)	h/week	n.a.	n.a	n.a.

Sawn softwood

	Unit	**2022**	**2023**	**2024**
Production	1.000 m³	4.144	4.100	4.300
Imports	1.000 m³	754	800	850
Exports	1.000 m³	732	710	800
Consumption	1.000 m³	4.166	4.190	4.350

Softwood logs

	Unit	**2022**	**2023**	**2024**
Production	1.000 m³	15.666	16.000	16.320
Imports	1.000 m³	1.245	1.350	1.500
Exports	1.000 m³	2.777	2.850	3.000
Consumption	1.000 m³	14.134	14.500	14.820

By-Products

	Unit	**2022**	**2023**	**2024**
Sawdust production	1.000 m³	4.250	4.350	4.450
Chips production	1.000 m³	3.524	3.600	3.700
Bark production	1.000 m³	5.072	5.180	5.300
Pellets production	1.000 tonnes	942	1.150	1.300

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	**2022**	**2023**	**2024**
Softwood	Range 1-5	3	3	3

Capacity increases/decreases

	Unit	**2022**	**2023**	**2024**
Softwood	1.000 m³	n.a.	n.a.	n.a.

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	**2023 vs 2022**	**2024 vs 2023**
Softwood logs	% vs previous year	increasing	increasing
Energy	% vs previous year	25,0	increasing
Transport	% vs previous year	4,0	increasing

Price development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	**2023 vs 2022**	**2024 vs 2023**
Sawn softwood	% vs previous year	increasing	increasing
Chips	% vs previous year	increasing	increasing
Sawdust	% vs previous year	increasing	increasing

Source: Polska Izba Gospodarcza Przemysłu Drzewnego

ROMANIA Producer

General economic information

	Unit	2022	2023	2024
Population (million)	million	19,2	19.2	19,2
GDP Growth (%)	%	2,0	2.0	2,0
Inflation Rate (%)	%	14,0	10.0	9,0
Unemployment Rate (%)	%	3,0	2,0	2,0
Construction industry				
Building permits (units)	units	12.000	10.000	10.000
Housing starts (units)	units	6.500	5.000	5.000
Housing completions (units)	units	4.500	4.000	4.000
Wage development (%)	% vs previous year	9,0	7,0	7,0
Average working time in sawmilling (h/week)	h/week	40	40	40

Sawn softwood

	Unit	2022	2023	2024
Production	1.000 m³	2.400	2.300	2.300
Imports	1.000 m³	200	200	200
Exports	1.000 m³	1.400	1.400	1.400
Consumption	1.000 m³	1.200	1.100	1.100

Softwood logs

	Unit	2022	2023	2024
Production	1.000 m³	2.900	2.800	2.800
Imports	1.000 m³	600	600	700
Exports	1.000 m³	50	50	40
Consumption	1.000 m³	3.450	3.350	3.460

By-Products

	Unit	2022	2023	2024
Sawdust production	1.000 m³	200	200	200
Chips production	1.000 m³	300	300	300
Bark production	1.000 m³	1.600	1.600	1.600
Pellets production	1.000 tonnes	600	650	650

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	2022	2023	2024
Softwood	Range 1-5	3	3	3

Capacity increases/decreases

	Unit	2022	2023	2024
Softwood	1.000 m³	constant	constant	constant

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Softwood logs	% vs previous year	10,0	5,0
Energy	% vs previous year	10,0	10,0
Transport	% vs previous year	10,0	15,0

Price development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Sawn softwood	% vs previous year	10,0	6,0
Chips	% vs previous year	1,0	1,0
Sawdust	% vs previous year	0,0	0,0

Source: ASFOR - Associatia Forestielor Din Romania

Market Statement

The volume of wood placed on the market in 2023 keeps constant in recent years (about 18 million cubic meters / year), but a weaker demand was felt on several export markets of wood products and a reduction in domestic demand for firewood

The draft of the new Forest Code, currently being adopted, also introduced result objectives. In addition, it brought new concepts-definitions such as:

– the economic service (harvested timber) being dissipated among the many other ecosystem services of the forest;
– high standards for biodiversity.

There has been no stabilization of the relationship between timber and products sold due to prices, market and crises manifested in 2022 -2023.

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

The presented general picture characterizes Romania in terms of production and trade in wood products in the reporting year 2022-2023.
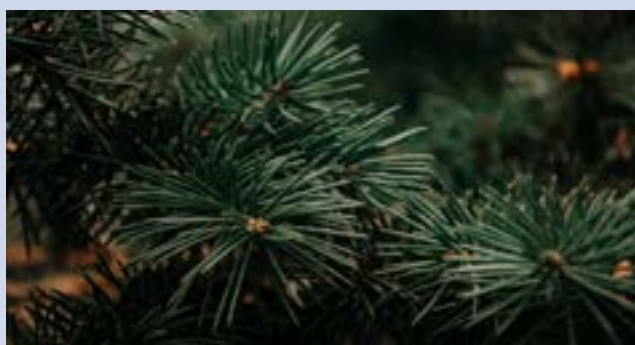
SPAIN **user**

General economic information

	Unit	2022	2023	2024
Population (million)	million	47,43	47,80	48,19
GDP Growth (%)	%	4,2	2,3	1,6
Inflation Rate (%)	%	4,0	3,9	3,4
Unemployment Rate (%)	%	13,3	12,3	11,6
Construction industry				
Building permits (units)	units	n.a.	n.a.	n.a.
Housing starts (units)	units	108.895	109.983	110.083
Housing completions (units)	units	88.846	90.565	91.470
Wage development (%)	% vs previous year	2,0	4,0	3,5
Average working time in sawmilling (h/week)	h/week	n.a.	n.a.	n.a.

Sawn softwood

	Unit	2022	2023	2024
Production	1.000 m³	1.818	1.618	1.602
Imports	1.000 m³	1.180	1.048	1.038
Exports	1.000 m³	143	130	129
Consumption	1.000 m³	2.855	2.536	2.511

Softwood logs

	Unit	2022	2023	2024
Production	1.000 m³	n.a.	n.a.	n.a.
Imports	1.000 m³	514	447	443
Exports	1.000 m³	341	303	300
Consumption	1.000 m³	n.a.	n.a.	n.a.

By-Products

	Unit	2022	2023	2024
Sawdust production	1.000 m³	n.a.	n.a.	n.a.
Chips production	1.000 m³	n.a.	n.a.	n.a.
Bark production	1.000 m³	n.a.	n.a.	n.a.
Pellets production	1.000 tonnes	n.a.	n.a.	n.a.

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	2022	2023	2024
Softwood	Range 1-5	n.a.	n.a.	n.a.

Capacity increases/decreases

	Unit	2022	2023	2024
Softwood	1.000 m³	n.a.	n.a.	n.a.

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
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 (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
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 Espanola del Comercio e Industria de la Madera (AEIM)

Market Statement

National economy.
General economic situation.

GDP is showing comparatively greater dynamism in Spain than in other euro area countries. This more favourable performance can be explained, above all, by the differences in the sectoral com position of the economy.

Specifically, the greater recent strength of activity in Spain is partly related to the greater weight in Spain of services linked to hotels and catering and tourism, which have continued to experience very high demand during the summer. On the other hand, the weight of the manufacturing branches -whose dynamism is, also in Spain, lower than that of services- is comparatively lower in the Spanish economy.

The latest information points to a relatively weak pulse of activity in the last quarter of the year. This would be the result, among other factors, of the prolongation of the sluggish external environment and the continuation of the process of transmission of the tightening of monetary policy to the costs of new credit operations and to the financial burden of indebted agents.

General information.
Indicators&Forecasts

General economic information			
	2022	**2023 (Forecast)**	**2024 (Forecast)**
Population (million)	47.433	47.796	48.186
GDP growth (%)	5,5	2,3	1,8
Inflation Rate (%)	8,4	3,6	4,3
Unemployment(%)	12,9	12	11,5
Housing Starts (Units)	108.895	109.983	110.083
Housing completions (Units)	88.846	90.565	91.470
Wage development	2,00%	4,00%	3,50%

Outlets for Timber. Construction industry.

During the third quarter of this year housing in- vestment is expected to have shown, as in previ- ous quarters, some weakness, weighed down by both supply and demand factors.

On the supply side, housing investment continued to be negatively affected by the high cost of some of the materials used in residential construction, a shortage of housing materials and a

lack of supply of some of the materials used in residential construction, labour shortages and the progressive tightening of financing conditions for housing. Despite all this, new building permits of new construction would have maintained a certain stability in the first months of the year.

On the demand side, the tightening of financing conditions for households would also have significantly weighed on housing investment in the last few quarters, although house sales have shown some resilience since the beginning of the year.

Transactions. Imports of sawn softwood. 2022.

Spanish imports of sawn softwoods during the whole year 2022 reached an amount (in volume) of 1.180.108 m³, which means just an increase of 3% compared to 2021.

If we consider the figures in terms of import value, the increase has been higher, 27%, compared to 2021.

Sawn softwood imports. Main supplying countries. January – June. 2022 / 2023. In volume m3 & value 1.000 Euros/CIF.

COUNTRY	Volume M3			Value Import. (1.000 € /CIF)	
	2022	**2023**	**%**	**2022**	**2023**
France	133.413	120.084	-10,0%	26.383	20.441
Germany	77.607	82.416	6,2%	28.980	21.039
Portugal	114.754	77.402	-32,5%	23.486	15.263
Sweden	79.916	61.653	-22,9%	26.417	17.385
Finland	53.878	40.734	-24,4%	18.912	11.176
Lithuania	42.895	37.273	-13,1%	8.129	6.428
Chile	12.399	16.540	33,4%	2.994	4.655
Brazil	32.873	13.150	-60,0%	10.392	3.577
Austria	13.967	13.691	-2,0%	6.873	4.159
Latvia	11.349	7.756	-31,7%	3.994	2.360
Estonia	6.030	7.444	23,4%	3.060	2.714
New Zealand	9.109	7.148	-21,5%	4.429	3.870
Poland	5.705	6.244	9,4%	2.710	2.287
Belgium	4.805	5.329	10,9%	734	1.110
Netherlands	3.440	4.329	25,8%	3.792	5.034
Italy	4.128	3.175	-23,1%	1.908	1.687
USA	2.147	2.715	26,5%	1.057	1.448
Czech Republic	5.079	2.391	-52,9%	1.564	815
Romania	2.254	1.321	-41,4%	811	699
Ucraine	3.933	223	-94,3%	1.463	143
Russia	4.801	0	-100,0%	1.570	0
Belarus	3.198	0	-100,0%	627	0
Others	2.021	2.596	28,5%	1.367	1.363
Total	**629.701**	**513.614**	**-18,4%**	**181.652**	**127.653**

Forecasts.

Import statistics of sawn softwoods during the first half of 2023, show a remarkable decrease of 18,4%, with total imports placed at 513.614 m³.

According to those figures, forecasts of sawn softwoods imports in Spain for the whole year 2023 could be placed around 1.048 (1.000 m³).

For 2024, we foresee a very slight decrease of around 1% , and so, we estimate that imports for the whole year could be around 1.038 (1.000 m³).

Summary of Softwood Statistics.
In volume. 1.000 m³.

	Actual 2022	Estimate 2023	Forecast 2024
Domestic production	1.818	1.618	1.602
Imports	1.180	1.048	1.038
Exports	143	130	129
Apparent consumption	2.855	2.536	2.511

Forest in Malaga province in the south of Spain

EOS/ETTF Statistical Questionnaire - International Softwood Conference 2023

SWEDEN Producer

General economic information

	Unit	2022	2023	2024
Population (million)	million	10,5	10,6	n.a.
GDP Growth (%)	%	2,8	-0,9	1,2
Inflation Rate (%)	%	8,4	8,7	2,7
Unemployment Rate (%)	%	7,5	7,7	8,4
Construction industry				
Building permits (units)	units	55.000	30.000	25.000
Housing starts (units)	units	57.100	25.500	20.000
Housing completions (units)	units	56.700	58.000	40.000
Wage development (%)	% vs previous year	2,7	3,9	3,9
Average working time in sawmilling (h/week)	h/week	n.a.	n.a.	n.a.

Sawn softwood

	Unit	2022	2023	2024
Production	1.000 m³	18.800	18.400	18.300
Imports	1.000 m³	500	500	450
Exports	1.000 m³	13.800	13.850	13.100
Consumption	1.000 m³	4.900	4.500	4.400

Softwood logs

	Unit	2022	2023	2024
Production	1.000 m³	38.100	n.a.	n.a.
Imports	1.000 m³	970	1.100	900
Exports	1.000 m³	960	650	500
Consumption	1.000 m³	38.110	n.a.	n.a.

By-Products

	Unit	2022	2023	2024
Sawdust production	1.000 m³	n.a.	n.a.	n.a.
Chips production	1.000 m³	n.a.	n.a.	n.a.
Bark production	1.000 m³	n.a.	n.a.	n.a.
Pellets production	1.000 tonnes	n.a.	n.a.	n.a.

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	2022	2023	2024
Softwood	Range 1-5	4	2	3

Capacity increases/decreases

	Unit	2022	2023	2024
Softwood	1.000 m³	++	++	+

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Softwood logs	% vs previous year	9,0	n.a.
Energy	% vs previous year	n.a.	n.a.
Transport	% vs previous year	n.a.	n.a.

Price development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Sawn softwood	% vs previous year	-24,0	0,0
Chips	% vs previous year	n.a.	n.a.
Sawdust	% vs previous year	n.a.	n.a.

Source: SFIF - Swedish Forest Industries Federation

Market Statement

The Swedish sawmill sector has been outperforming expectations in 2023. Despite a decline in the European and global sawnwood markets. Demand for Swedish wood has remained high all the way through to summer 2023. Shipments for July were a bit lower than expected, but as the Swedish industry is typically shut down for holiday, it is difficult to make any future assumptions based on that.

Swedish sawmill production during 2023 have remained fairly strong although slightly lower than what have observed in the last few years. Inventory levels are at a normal level, but have during the year still been decreasing 5 out of 7 months. As such shipment have been quite strong for most of the year, and deliveries YTD Jan-July would have qualified for a new record, if it wasn't for the even stronger years during the pandemic boom.

Figure 1,
Swedish production of sawn softwood 2023
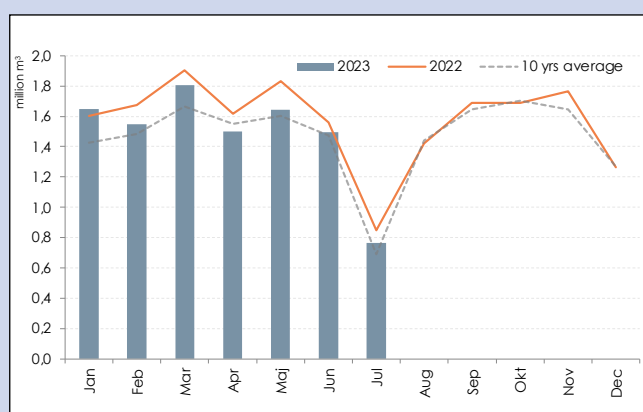
Source: Skogsindustrierna

Although demand for Swedish wood has been good, costs have also significantly increased and roundwood inventories are significantly lower than usual. Prices for Swedish sawnwood exports have remained practically flat for the full year of 2023. They are however still a fair bit higher than before the pandemic. While during the pandemic the prices were typically demand driven and set on a high competition market. The situation has somewhat changed since late 2022, and the almost flat price development can be interpreted as a symptom of prices are now typically more cost driven, and that increasing costs have created a higher than usual price floor.

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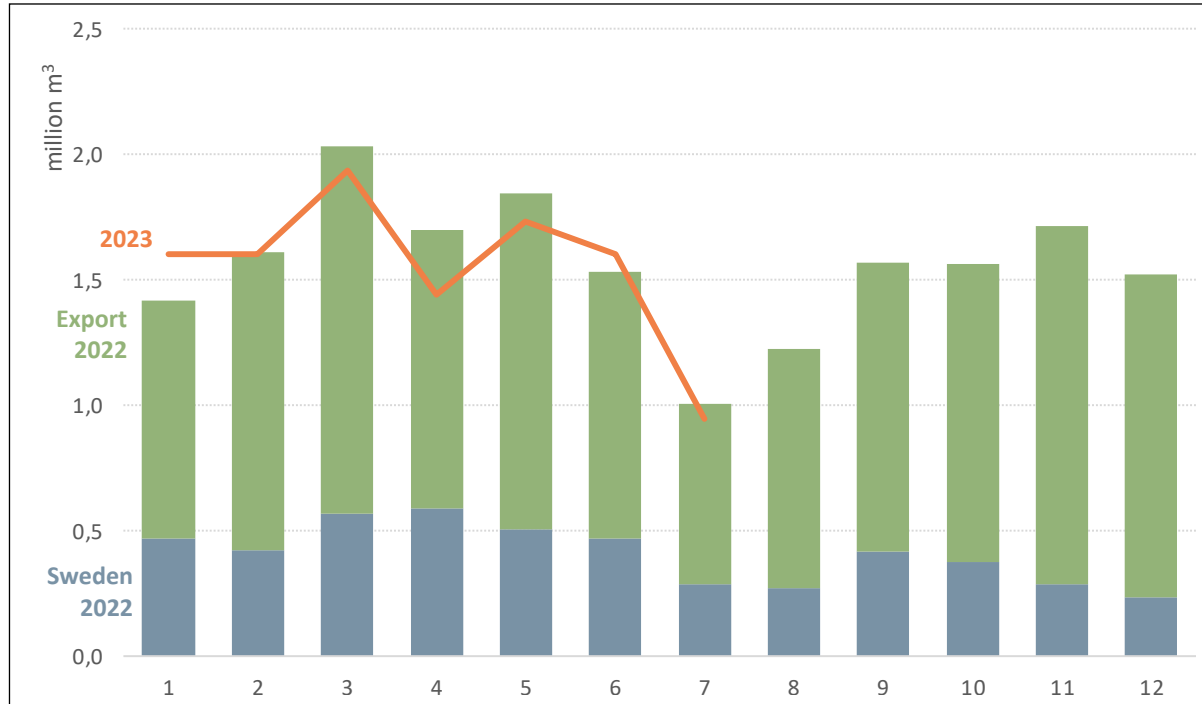
Source: Skogsindustrierna

It is fair to assume that the effect of the significantly weakening Swedish krona has likely focused a higher than usual share of European demand to Swedish suppliers. So even if demand has been in decline in Europe, a larger share of the demand has been met by Swedish sawn wood.

Figure 3, Swedish sawnwood export price index

Source: Skogsindustrierna and Statistics Sweden

Otherwise even the Swedish domestic market is currently quite weak, and new construction is projected to be halved in 202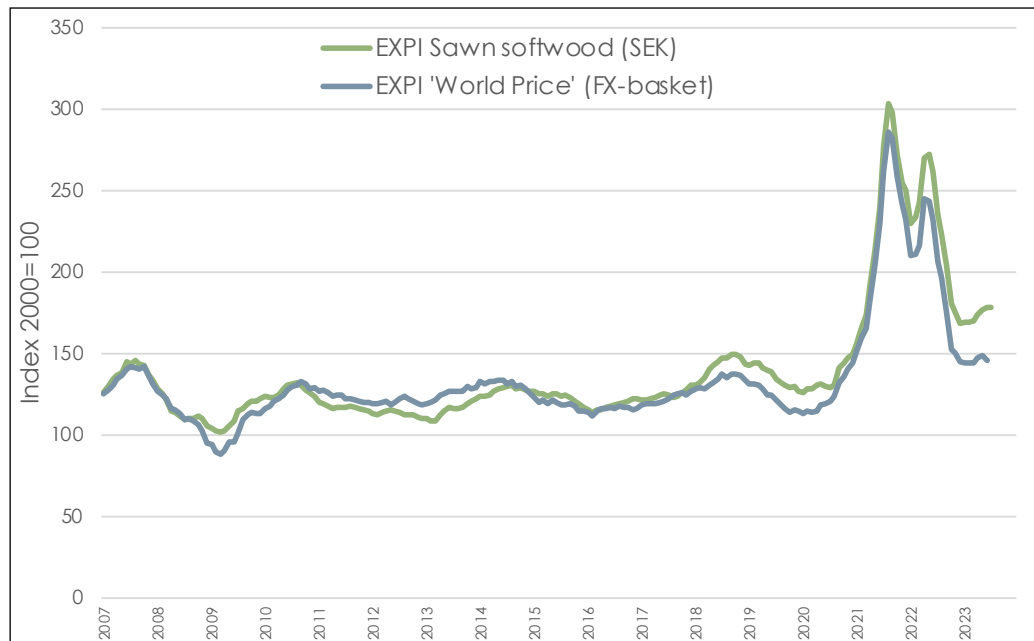3 compared to the trend over the last few years. The lower construction activity is also expected to last into 2024, at least. The Swedish market of course faces the same challenges as many others with a weakened economy, and a challenge in finding a business model where construction activity can remain, while the cost of capital has increased by several 100%. The higher interest rates will put a strong pressure on the building sector to innovate or reallocating their cost-structure. Especially since current economic forecasts predicts interest rates to, at least for a while, remain at high levels even after reaching inflation targets within a few years. Something which is likely to be the case for all the important sawn wood markets going forward.

Over the last few years since the pandemic we have seen an increased export to the US. Something which we are expecting to be the beginning of a new trend that will only continue to grow. As the Americans will have increased building demand and decreased supply from Canada. They are expected to turn their eyes towards Europe to import more of their supply.

Going forward the market situation is even more uncertain than during the pandemic. Demand for Swedish wood has remained strong, but how long can it last? And what will be the effects if the Swedish Krona continues to depreciate? In the near term we are looking to the west to see when the markets may shift, following the developments on the US market as we believe it will likely be the first indicator of any positive turn on the global sawnwood market. They have a high building demand and have been able to get a step ahead in their fight against inflation. The turbulence Europe are experiencing on the energy markets are also less of a problem for the US.

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.

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SWITZERLAND **Producer**

General economic information

	Unit	2022	2023	2024
Population (million)	million	8,8	8,9	9,0
GDP Growth (%)	%	2,1	0,6	1,2
Inflation Rate (%)	%	2,8	0,9	1,3
Unemployment Rate (%)	%	2,2	2,3	2,2
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	1,1	0,9	1,3
Average working time in sawmilling (h/week)	h/week	42,5	42,5	42,5

Sawn softwood

	Unit	2022	2023	2024
Production	1.000 m³	1.195	1.171	1.183
Imports	1.000 m³	284	278	281
Exports	1.000 m³	180	176	178
Consumption	1.000 m³	1.299	1.273	1.286

Softwood logs

	Unit	2022	2023	2024
Production	1.000 m³	2.290	2.244	2.267
Imports	1.000 m³	48	47	48
Exports	1.000 m³	348	341	344
Consumption	1.000 m³	1.990	1.950	1.970

By-Products

	Unit	2022	2023	2024
Sawdust production	1.000 m³	228	224	228
Chips production	1.000 m³	532	522	532
Bark production	1.000 m³	190	186	190
Pellets production	1.000 tonnes	368	380	388

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	2022	2023	2024
Softwood	Range 1-5	4	4	3

Capacity increases/decreases

	Unit	2022	2023	2024
Softwood	1.000 m³	33	33	33

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing

	Unit	2023 vs 2022	2024 vs 2023
Softwood logs	% vs previous year	decreasing	stable
Energy	% vs previous year	decreasing	stable
Transport	% vs previous year	decreasing	stable

Price development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing

	Unit	2023 vs 2022	2024 vs 2023
Sawn softwood	% vs previous year	decreasing	stable
Chips	% vs previous year	decreasing	stable
Sawdust	% vs previous year	decreasing	stable

Source: HIS- Holzindustrie Schweiz

Market Statement

Job market in the Swiss timber industry

Unemployment in Switzerland was 1.9% in July (+/- 0.0% compared to the previous month). The situation is virtually full employment. Thus, there is still no rapid easing of the labour shortage in sight. The search for additional employees is very challenging for many companies.

Construction activity

The Swiss National Bank raised the key interest rate by another 0.25% to 1.75% in June 2023. Financing construction projects is therefore likely to become even more expensive for the time being. Construction material prices, which had significantly increased nominal sales in the past quarters, have recently fallen back below the previous year's level. Construction investments should recover tentatively in the coming quarters as supply bottlenecks and purchase prices ease.

Timber construction activity

The outlook into autumn 2023 remains very positive, and the workload of timber construction companies has increased further.

Roundwood market in Switzerland

The supply of roundwood has been good in recent months. Roundwood prices have remained constant at a high price level since the beginning of the year.

Sawn timber market in Switzerland

The sawn timber prices have stabilised again after the sharp drop at the beginning of the year. However, they are still 8.9 percentage points below the strong level of the previous year period.

Residual wood market in Switzerland

Residual wood prices fell sharply from January to June. However, pellet prices rose again by 7.4% on average between June and August. This gives reason to hope that the bottom of the residual wood market has now been reached.

UNITED KINGDOM **user**

General economic information

	Unit	2022	2023	2024
Population (million)	million	67,5	67,7	n.a.
GDP Growth (%)	%	4,0	0,3	1,0
Inflation Rate (%)	%	11,0	5,2	2,9
Unemployment Rate (%)	%	3,6	4,3	4,7
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	n.a.	n.a.	n.a.
Average working time in sawmilling (h/week)	h/week	n.a.	n.a.	n.a.

Sawn softwood

	Unit	2022	2023	2024
Production	1.000 m³	3.221	3.100	3.200
Imports	1.000 m³	5.677	5.385	5.474
Exports	1.000 m³	n.a.	n.a.	n.a.
Consumption	1.000 m³	8.736	8.300	8.484

Softwood logs

	Unit	2022	2023	2024
Production	1.000 m³	n.a.	n.a.	n.a.
Imports	1.000 m³	n.a.	n.a.	n.a.
Exports	1.000 m³	n.a.	n.a.	n.a.
Consumption	1.000 m³	n.a.	n.a.	n.a.

By-Products

	Unit	2022	2023	2024
Sawdust production	1.000 m³	n.a.	n.a.	n.a.
Chips production	1.000 m³	n.a.	n.a.	n.a.
Bark production	1.000 m³	n.a.	n.a.	n.a.
Pellets production	1.000 tonnes	n.a.	n.a.	n.a.

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	2022	2023	2024
Softwood	Range 1-5	n.a.	n.a.	n.a.

Capacity increases/decreases

	Unit	2022	2023	2024
Softwood	1.000 m³	n.a.	n.a.	n.a.

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
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 (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
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

Market Statement

Construction Market

The Construction Products Association's latest Construction Trade Survey for 2023 Q2 showed a mixed view on activity across the construction supply chain. Here are some key findings from the latest survey:

- Output & Sales: A mixed quarter for product sales, workloads growth for SME contractors and chartered surveyors was split by sector of activity.
- Expectations: Manufacturers' expectations were mixed, new orders increased for civil engineering contractors, SME enquiries increased overall, but growth was driven by a sole sector.
- Costs and Constraints: Costs moderated in Q2 but inflation remained broad-based, with issues related to finance and labour availability rising in prominence

Surveys from across the construction supply chain continue to present a mixed view on activity in the second quarter of 2023. Whether it is the survey results from construction product manufacturers, SME building contractors, civil engineering contractors or chartered surveyors, the split in performance that emerges mirrors official ONS data on construction output and new orders, as well as other industry surveys that show strength in the infrastructure, public non-housing and repair, maintenance and improvement sectors, with a particular focus on energy efficiency work for the latter.

In contrast, workloads in new build housing, commercial and industrial have fallen back, with demand and confidence in these sectors the most affected by sluggish economic growth and the sharp rise in interest rates since the middle of 2022.

Combined with the high rates of input cost inflation that construction has experienced since 2021, the additional pressure

of notably higher borrowing costs has reined in demand from potential homebuyers and made the large up-front investments required for large offices, leisure, factories and warehouse projects less appealing.

Whilst the cost of finance continues to rise, and the Bank of England's monetary policy tightening cycle not expected to peak until the end of the year, there are, at least, signs that other cost pressures continue to subside. Headline cost balances continued to ease to the levels last seen in 2020 and 2021, prior to the Russian invasion of Ukraine that led to significant increases in global oil and commodity prices.

Sawn softwood imports breakdown by country

000m3	2018	2019	2020	2021	2022	2023 Fcst	2024 Fcst
Sweden	2,724	2,667	2,711	2,619	2,423	2,520	2541
						4%	1%
Latvia	1,140	1,135	1,290	1,588	1,084	885	987
						-18%	11%
Finland	954	878	765	1,004	752	760	744
						1%	-2%
Germany	456	462	528	802	457	434	442
						-5%	2%
Ireland	392	402	362	317	435	379	374
						-13%	-1%
Others	571	540	581	837	499	470	483
						-6%	3%
Russia	356	309	371	410	28		
Total Countries	6,594	6,394	6,608	7,578	5,677	5,447	5,571
						-4.1%	2.3%
Total UK	6,594	6,394	6,608	7,578	5,677	5,322	5,377
						-6.3%	1.0%
Average of ALL	6,594	6,394	6,608	7,578	5,677	5,385	5,474
						-5.1%	1.7%

USA Producer

General economic information

	Unit	2022	2023	2024
Population (million)	million	333,6	335,2	336,7
GDP Growth (%)	%	2,1	2,0	0,8
Inflation Rate (%)	%	8,0	4,0	2,5
Unemployment Rate (%)	%	3,6	3,9	4,4
Construction industry				
Building permits (units)	units	n.a.	n.a.	n.a.
Housing starts (units)	units	1.551.250	1.437.734	1.464.294
Housing completions (units)	units	n.a.	n.a.	n.a.
Wage development (%)	% vs previous year	5,3	4,8	3,7
Average working time in sawmilling (h/week)	h/week	n.a.	n.a.	n.a.

Sawn softwood

	Unit	2022	2023	2024
Production	1.000 m³	64.308	61.339	62.800
Imports	1.000 m³	28.241	28.389	27.669
Exports	1.000 m³	2.267	2.280	2.306
Consumption	1.000 m³	90.282	87.448	88.163

Softwood logs

	Unit	2022	2023	2024
Production	1.000 m³	152.670	146.433	140.076
Imports	1.000 m³	586	615	603
Exports	1.000 m³	5.342	4.825	4.984
Consumption	1.000 m³	147.914	142.224	135.695

By-Products

	Unit	2022	2023	2024
Sawdust production	1.000 m³	n.a.	n.a.	n.a.
Chips production	1.000 m³	n.a.	n.a.	n.a.
Bark production	1.000 m³	n.a.	n.a.	n.a.
Pellets production	1.000 tonnes	9.544	9.716	10.254

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	2022	2023	2024
Softwood	Range 1-5	3	3	3

Capacity increases/decreases

	Unit	2022	2023	2024
Softwood	1.000 m³	1354	2059	2032

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Softwood logs	% vs previous year	-16,4	0,1
Energy	% vs previous year	-4,2	-2,0
Transport	% vs previous year	-3,8	2,2

Price development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	2023 vs 2022	2024 vs 2023
Sawn softwood	% vs previous year	-47,2	3,7
Chips	% vs previous year	-10,5	2,7
Sawdust	% vs previous year	-2,2	-3,8

Source: Forest Economic Advisors

Market Statement

The US economy continues to be marked with mixed economic signals and near-term uncertainty in the wake of the pandemic. However, the perseverance of strong fundamentals in the country's homebuilding sector provided underlying support to the industry this year and are likely to fuel modest growth in 2024.

The widely expected post-pandemic recession remains elusive as the US economy navigates soaring inflation, low unemployment levels and rising labor costs. Forest Economic Advisors (FEA) now forecasts a mild recession in early 2024 rather than this year, as the economy is expected to slow. FEA estimates the low unemployment rate of 3.6% last year will inch up to 3.9% in 2023 and reach 4.4% in 2024.

FEA forecasts GDP growth in the US up 2% this year, little changed from 2.1% in 2022. We expect GDP growth will slow notably in 2024 at 0.8%. We also project that the US inflation rate will drop substantially to reach a level that is near—but still not at—the Federal Reserve's target of 2%. While it soared to 8% last year, we forecast it will average 4% in 2023 and drop to 2.5% next year.

Meanwhile in the construction sector, low inventories of homes for sale at a time of strong demographic tailwinds and rising builder confidence point toward healthy demand for new single-family houses. This takes place even as high mortgage rates (the result of rising interest rates as the federal government uses this tool to rein in inflation) pose affordability challenges.

Steep inflation has also played a significant role in rising unaffordability, with many potential first-time home buyers priced out of the market. At the same time, high mortgage levels have kept many existing homes off the market as homeowners opt to stay in their current houses that are tied to lower rates (US homebuyers are able to lock in a 30-year mortgage at a fixed rate) rather than sell and buy another one.

Though US housing starts dropped 7.3% this year, they came off a historically robust level of nearly 1.6 million in 2021. We expect starts to nudge up 1.9% to nearly 1.5 million in 2024.

While inflation has made many items more expensive, the record-high lumber prices that were fueled by a surge in demand in 2021 led to widespread investment in sawmill capacity. The bulk of these capacity increases have taken place in the US South, the only North American region with a surplus of harvestable timber. The combination of a mild recession early next year and the increased capacity that is coming online in the US South, will cause sawn softwood prices to hold well below recent peaks following this year's steep fall. FEA sees US softwood capacity rising by more than 2 million m3 next year. This will come on the heels of the 2022 increase of nearly 1.4 million m3 and 2 million m3 this year.

Despite rising capacity, weak prices and labor-supply constraints led to lower production of sawn wood this year. FEA projects US sawn softwood production at 61.3 million m3 this year, down 4.6% from 2022. We see it rising 2.4% to 62.8 million m3 next year. This is in line with the pattern seen in consumption, which dropped 3.1% in 2023–following a year of voracious demand in 2022–and is on track to climb nearly 1% next year to 88.2 million m3.

At the same time, we expect US imports of sawn softwood to dip 2.5% to 27.7 million m3 in 2024 as exports inch higher.

Meanwhile, both the production and consumption of softwood logs will decline as product production sees little growth and sawmills become increasingly more efficient. We forecast production to dip 4% to 146.4 million m3 this year and another 4.3% in 2024 to 140.1 million m3. Similarly, consumption is forecast to fall 3.8% to 146.2 million m3 in 2023 and by 4.6%to 135.7 million m3 next year.

Pellet production shows a different picture, however, as this byproduct has become increasingly popular as a heating source and is primarily exported to Europe. FEA forecasts pellet output in the US will rise 1.8% this year and a more significant 5.5% in 2024.

We estimate a massive price drop of 47% in sawn softwood this year versus last, and this is forecast to rise in 2024 by just 3.7% above this year's average. Meanwhile the price development for chips is expected to rise 2.7% in 2024 after dropping 10.5% in 2023. Cost developments for sawdust will continue to decrease: down 2.2% in 2023 and 3.8% lower in 2024.

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General economic information

	Unit	**2022**	**2023**	**2024**
Population (million)	million	36,67	37,02	37,37
GDP Growth (%)	%	1,1	3,0	3,1
Inflation Rate (%)	%	6,6	4,6	2,8
Unemployment Rate (%)	%	12,9	11,0	10,5
Construction industry				
Building permits (units)	units	-10,7	1,0	1,0
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.

Cost development (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	**2023 vs 2022**	**2024 vs 2023**
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 (%)

2024 vs 2023 cost developments can be estimated as "stable", "decreasing", increasing"

	Unit	**2023 vs 2022**	**2024 vs 2023**
Sawn softwood	% vs previous year	decreasing	n.a.
Chips	% vs previous year	n.a.	n.a.
Sawdust	% vs previous year	n.a.	n.a.

Source: Robelbois

Sawn softwood

	Unit	**2022**	**2023**	**2024**
Production	1.000 m³	40	42	45
Imports	1.000 m³	870	915	940
Exports	1.000 m³	n.a.	n.a.	n.a.
Consumption	1.000 m³	910	957	985

Softwood logs

	Unit	**2022**	**2023**	**2024**
Production	1.000 m³	80	84	90
Imports	1.000 m³	n.a.	n.a.	n.a.
Exports	1.000 m³	n.a.	n.a.	n.a.
Consumption	1.000 m³	80	84	90

By-Products

	Unit	**2022**	**2023**	**2024**
Sawdust production	1.000 m³	n.a.	n.a.	n.a.
Chips production	1.000 m³	n.a.	n.a.	n.a.
Bark production	1.000 m³	n.a.	n.a.	n.a.
Pellets production	1.000 tonnes	n.a.	n.a.	n.a.

Availability of logs

(1 = low; 2 = medium low; 3 = normal; 4 = medium high; 5 = high)

	Unit	**2022**	**2023**	**2024**
Softwood	Range 1-5	n.a.	n.a.	n.a.

Capacity increases/decreases

	Unit	**2022**	**2023**	**2024**
Softwood	1.000 m³	n.a.	n.a.	n.a.

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