Positions on the European Parliament Elections on 9 June 2024

Green Deal 2.0 with Wood

Europe is undergoing significant changes. Crises and wars in many parts of the world, economic challenges, and social tensions are casting the European Parliament elections on 9 June 2024 in a unique light. The ongoing climate change further emphasises the urgent need for the sustainable transformation of our economy and society in the coming years.

The future direction of European climate, environmental, and economic policies presents both opportunities and risks for forests and wood. The goal must be to harness the potential of sustainable wood use to combine climate protection and value creation, to create climate-friendly living spaces, and to promote the bioeconomy, while securing and creating new jobs.

The associations of the sawmill and wood industry from Germany, Austria, and Switzerland are positioning themselves for the EU elections and call for the course to be set for a new era with wood.

▪ Relaunching the Green Deal with Wood at its Core

The European Union has launched the Green Deal as a central pathway towards climate neutrality by 2050. While this is intended to lead to a modern, resource-efficient, and competitive economy, the current focus threatens to significantly weaken proven, climate-friendly, and regional value chains based on renewable resources. In this context, the associations call for a relaunch of the Green Deal that places the sustainable use of domestic and renewable wood resources at its core. Particularly in the building sector, wood can contribute to creating and maintaining climate-friendly living spaces and significantly reducing greenhouse gas emissions during construction and use. As a natural CO2 sink, wood extends the natural carbon cycles in the forest by adding a CO2 sink in the built environment. This creates a “second forest” in villages and cities. This maximisation of the climate protection effects of forests and wood is accompanied by targeted impulses for a European bioeconomy, enabling sustainable and long-term growth.

▪ Regulation for Deforestation-Free Products (EUDR)

The creation of bureaucratic hurdles complicates the production and use of climate-friendly products, hindering the sustainable transformation. The associations support the goal of curbing global deforestation but do not consider the current form of the regulation for deforestation-free products (EUDR) to be the appropriate means. Given the many unresolved questions regarding the technical implementation, the associations call for a fundamental revision with practical guidelines and an appropriate implementation period to avoid disruptions along the forest and wood value chain.

▪ Nature Restoration Law (NRL)

The associations welcome measures to protect nature. A vital and growing forest is the most important foundation for our industry. Adapting forests to the consequences of climate change, their active management and care, and the sustainable use of wood are central measures to secure climate protection and biodiversity for the future. However, the Nature Restoration Law is based on the premise that nature will recover if it is no longer used. Therefore, the associations see a need for revision of the Nature Restoration Law, as active adaptation measures in climate change must not be hindered by blanket usage restrictions. In the forest, management and protection belong together as an integrated concept.

The goal of placing at least 10 per cent of land under strict protection must be fundamentally reconsidered, as implementing this requirement would reduce wood availability in the EU by up to 48 per cent[1]. Effective climate protection can only be achieved with wood use. The socio-economic importance of the sector and the principle of subsidiarity must also be considered, as forestry management is a national responsibility.

- **Land Use, Land-Use Change and Forestry Regulation (LULUCF)**

With the revision of the LULUCF Regulation, the EU Commission has set new targets for CO2 reduction in the land use sector. The increase is intended to significantly contribute to achieving the climate goals by 2030 and climate neutrality by 2050. However, further short-term CO2 reductions in forests can only be realised if CO2 is sequestered in the trees and management and use are ceased. The EU Commission's plan to leave forests to their own devices weakens the sustainable use of wood and, consequently, the climate protection effect through the substitution of fossil raw materials and energy-intensive materials. Therefore, this approach is contrary to the greatest possible climate protection effect. The growth of trees is finite. They die and decay, releasing the bound carbon as CO2 into the atmosphere. Managed and rejuvenated forests, on the other hand, can once again absorb CO2 from the atmosphere, and do so in larger quantities than overaged stands. At the same time, rejuvenated forests are more adaptable to climate changes and more resilient to the consequences of climate change.

- **Economic Importance of the Forestry and Wood Industry in Europe[2]**

The economic importance of the forestry and wood industry is often significantly underestimated. The value chain network of wood not only includes the raw material but also processed products and relevant services. It is complex and extensive. In 30 European countries (EU27, Norway, Switzerland, United Kingdom), the total gross value added, encompassing all direct, indirect, and induced effects attributable to the European forestry and wood industry, is around 1,100 billion (1.1 trillion) euros. This corresponds to roughly the economic output of Spain, or a 7.1 per cent share of the total economic output of these 30 countries. The sector secures approximately 17.5 million jobs across Europe, equivalent to the population of the Netherlands. Each job in the forestry and wood industry creates or secures another 1.2 jobs in other sectors. On average, 6 per cent of employees in the 30 European countries are directly or indirectly employed by the forestry and wood industry.

The increased use of wood from sustainably managed forests in Europe strengthens Europe's contribution to combating climate change and secures the independent value chain of the wood industry in Europe. The associations of the wood industries from Germany, Austria, and Switzerland appeal to the institutions of the European Union and the member states to optimise the framework conditions for the use of wood now. The associations call for a clear commitment from the European Union and the governments of the member states to sustainable forest management. All previous Green Deal decisions should be reviewed and corrected if they disproportionately restrict the use of the renewable and sustainable resource of wood. A Green Deal is needed that guarantees reliable and economical raw material availability.

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[1] Schier, F.; Iost, S.; Seintsch, B.; Weimar, H.; Dieter, M.: "Assessment of Possible Production Leakage from Implementing the EU Biodiversity Strategy on Forest Product Markets". *Forests* 2022, 13, 1225. https://doi.org/10.3390/f13081225

2 Econmove, Economica (2023) The economic impact of the forestry and wood industry in Europe in terms of bioeconomy, Vienna. https://www.holzindustrie.at/media/3613/ergebnispraesentation_final.pdf

The **German Association of the Sawmill and Timber Industry (DeSH)** represents the interests of the German sawmill and timber industry at national, European, and international levels. The association supports its members, including more than 400 companies from all over Germany, in economic and industry policy matters and assists in the continuous improvement of economic and political framework conditions for the use of the raw material wood. The association engages in dialogue with representatives from the media, economy, politics, and research. In pursuing its goals, the German sawmill and timber industry stands for an environmentally friendly and value-creating use of wood as a material and bioenergy carrier.

The **Association of the Austrian Wood Industries** represents the interests of almost 1,300 wood-processing companies in the building product, furniture, panel, sawmill, and ski industries, as well as other wood-processing businesses such as pallet manufacturing. The companies in the wood industry employ around 27,400 people and produce products worth 9.74 billion euros, generating a trade surplus of 1.5 billion euros. Within the wood value chain, the wood industry is a key sector and a starting point for many other applications for wood. More than 320,000 people are employed along the forest and wood value chain, especially in rural areas.

The **Swiss Wood Industry Association** represents around 200 small and medium-sized enterprises with a total of 2,500 employees in the sawmill and wood materials industry. Approximately 90,000 people work in the entire forestry and wood industry in Switzerland. Sawmills process nearly 2 million cubic metres of roundwood annually into 1.2 million cubic metres of sawn timber. Last year, the wood harvest in Swiss forests amounted to 5.2 million cubic metres.