



CEE Wood Industries Group:

Implement EUDR Practicably and Use Opportunities for Simplification

On 2 October, the European Commission proposed extending the implementation period for the Deforestation Regulation (EUDR) by 12 months. Subject to agreement by the Council and the European Parliament, the EUDR would come into effect on 30 December 2025. Additionally, the Commission – after months of delay – published guidelines on the implementation of the EUDR and updated its FAQs. Only now, nearly a year and a half after the EUDR's entry into force, is it possible to assess the full implementation burden of this regulation.

The industry associations representing the wood sectors of Austria, Croatia, the Czech Republic, Hungary, Poland, Slovakia, and Slovenia support the objective of the EUDR to stop global deforestation and forest degradation. However, the EUDR is neither well-constructed legislation nor the right tool to achieve this goal. To ensure a practicable implementation of the EUDR that is as free of bureaucracy as possible and to explore more effective alternatives for combating global deforestation, the associations call for the following:

Eliminate Unnecessary Bureaucracy in Implementation

The current form of the EUDR requires market participants to provide an overwhelming amount of detailed information, which leads to unnecessary complexity and places significant bureaucratic burdens on businesses. The aims of the EUDR can be achieved with less effort by focusing on actual problem regions. Therefore, it is proposed that:

- A new risk category, "insignificant risk", be introduced for countries that can demonstrate that the risk of deforestation is effectively non-existent. This could lead to significant simplifications for market participants. Instead of the extensive information obligations currently required, companies in "insignificant risk" countries would only need to comply with documentation requirements, as is the case under the existing European Timber Regulation (EUTR). The EUTR's documentation requirements are already effective and tested.
- Fewer details on product information, such as wood species and Latin names, are necessary. The existing customs tariff numbers (HS codes) are sufficient for the EUDR.
- A minimal threshold should be introduced for small quantities of raw materials (e.g., individual trees and harvest volumes up to 30 cubic metres).

Focus on Initial Market Placement

The aim of the EUDR is to prevent raw materials and products from deforestation from entering the European internal market. Detailed documentation throughout the entire production chain within Europe is not necessary to achieve this. A more targeted and proportional approach would be to document the origin of the wood at the point of transfer between forestry, wood-processing companies, or wood traders. To this end, the EUDR can formulate minimum requirements for due diligence systems (DDS), on the basis of which existing systems in the industry can be recognised.

Focus on "High-Risk Countries" and Targeted Inspections Instead of General Suspicion

Large-scale deforestation occurs outside Europe. In Europe, forest areas have increased by 14 million hectares since 1990. Nevertheless, under the EUDR, market participants would still be required to prove that no deforestation takes place in their supply chains.

To effectively prevent the import of raw materials and products linked to deforestation, the Commission and the relevant authorities in member states should assess deforestation risks. Based on this, they can focus on specific products, geographic regions, and companies, and carry out further investigations as needed. If the authorities determine that deforestation has occurred, they can specifically ban the market placement and trade of such products. The European Union already applies this risk-based regulatory approach in other regulatory frameworks, such as the European Forced Labour Regulation, rather than adopting a blanket monitoring system.

Mandatory Provisions in Trade Agreements with Third Countries

The European Commission holds exclusive competence over trade agreements. At this level, agreements with third countries should be negotiated to set and promote environmental standards. This is the right way to achieve political goals, rather than shifting these objectives onto the private sector through the threat of sanctions.

International Engagement for Self-Help

Within the European Union, there are many organisations with extensive expertise in sustainable forest management. The EU should promote knowledge transfer to countries where deforestation occurs and support projects to help forests become a sustainable source of income for local communities. People who earn their living from the forest have a vested interest in preserving it. Europe's experience has demonstrated that responsible forest management is essential for ensuring sustainable use across generations and the long-term preservation of forests. By applying best practices in forest stewardship, European countries have shown how balanced and accountable management protects ecosystems, biodiversity, and forest resources for future generations. This experience highlights the importance of comprehensive management frameworks prioritising environmental sustainability and responsible forestry practices.

Background

The European Deforestation Regulation (EUDR) came into effect on 29 June 2023. It was initially intended to be applied from 30 December 2024. The regulation aims to ensure that products made from certain raw materials, such as coffee, cocoa, palm oil, soya, rubber, and wood, that are imported into or exported from the European Union are produced without causing deforestation or forest degradation. To demonstrate compliance, companies must implement a due diligence system, which involves gathering information on the origin of raw materials and intermediate goods as well as assessing and mitigating risks. These data must be entered into an information system.

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