

Sawn Hardwood

- Timber Committee forecasts by Mr. **Yves Costrel de Corainville**, Délégué Général, Fédération nationale du Bois, France
- Expert presentation by Mr. **Steffen Rathke**, Chairman-Hardwood Committee, German Sawmill Industry Association



UNECE TIMBER COMMITTEE
Market Discussions, 27 – 28 September 2005



Highlights of Forest Products Market Review, 2004-2005 (1-3)

- Apparent consumption of sawn hardwood in the UNECE region decreased by 3% in 2004 as compared with 2003, largely due to falling consumption by the United States furniture industry.
- Total UNECE region sawn hardwood production dropped by 3.6% in 2003 due to a 10% drop in the US, despite an increase of 5.7% in Europe.
- In line with rising consumption, European production increased as infrastructure investment continued and as eastern European harvests increased on both state and private forestland.



Highlights of Forest Products Market Review, 2004-2005 (4-6)

- In the EU-25, production was led by France, which held its production levels, with oak demand offsetting falls in beech.
- European exports have fallen steadily since 2000, sliding further by 2.6% in 2004, as the increase in oak exports did not match the reduction in exports of beech.
- US exports rose 10% in 2004 to the highest level since 2000, principally due to a 39% increase to China and a 95% increase to Viet Nam.



Highlights of Forest Products Market Review, 2004-2005 (7-9)

- Oaks have dominated sawn hardwood market consumption, leaving European beech prices to continue their long-term downward trend.
- US imports of sawn hardwood, which have risen in the last four years, jumped a further 25% in 2004, with half from Canada and most of the balance from South America.
- The 2005 sawn hardwood market has begun with nervousness, particularly in the US furniture and flooring sectors, where producers fear that some domestic market loss may be permanent and with red oak demand sharply down.



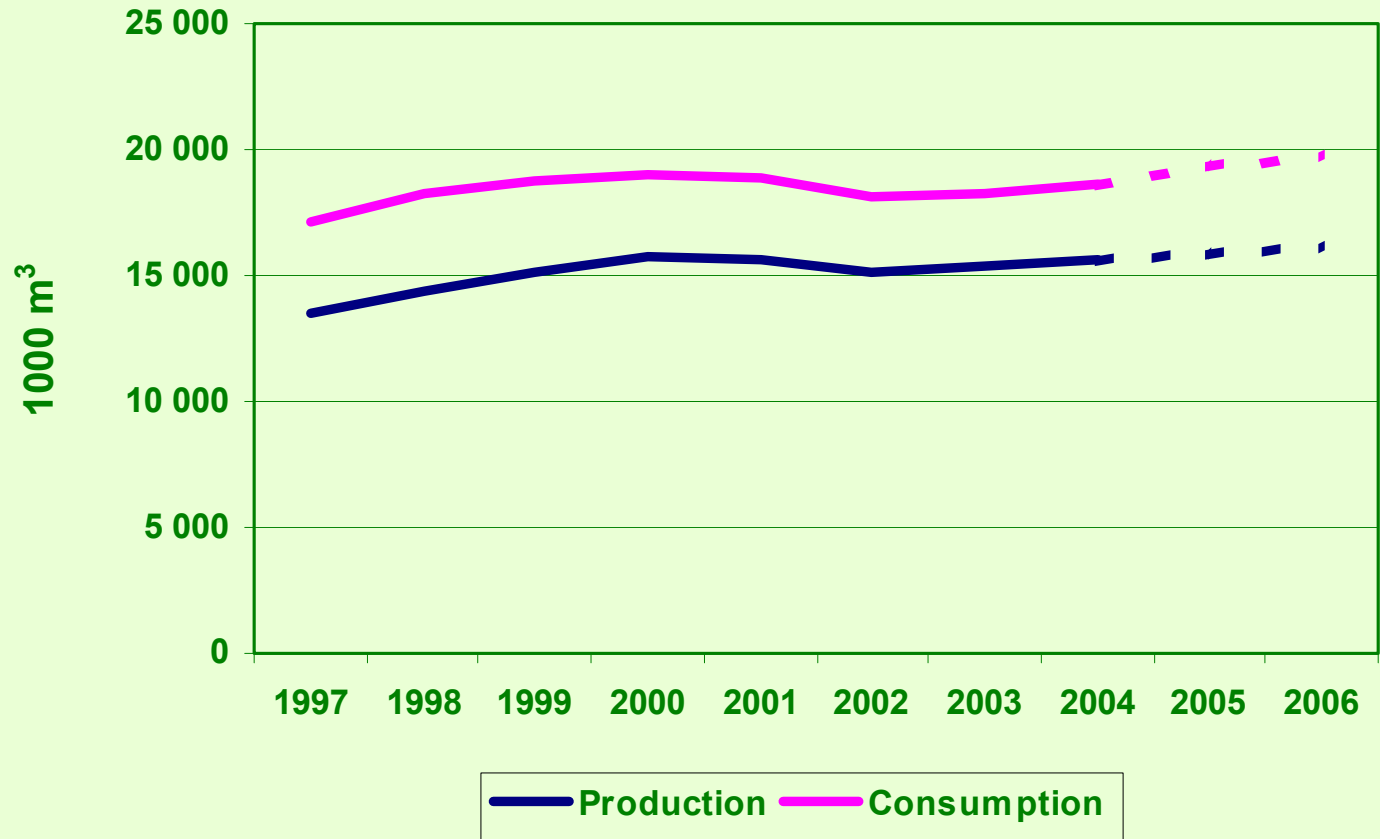
Highlights of Forest Products

Market Review, 2004-2005 (10-12)

- Rising US and European imports of furniture, and now flooring, are significant in their effects on domestic production and consumption of sawn hardwood.
- Sawn hardwood producers are newly organizing themselves, in the US with the new Hardwood Federation lobbying the Government, and in Europe with the European Hardwood Export Council promoting and coordinating marketing of exports.
- Concern for the legality of the source of sawn hardwood, and its sustainable production, are reflected in public procurement policies and industries' and retailers' purchase procedures.



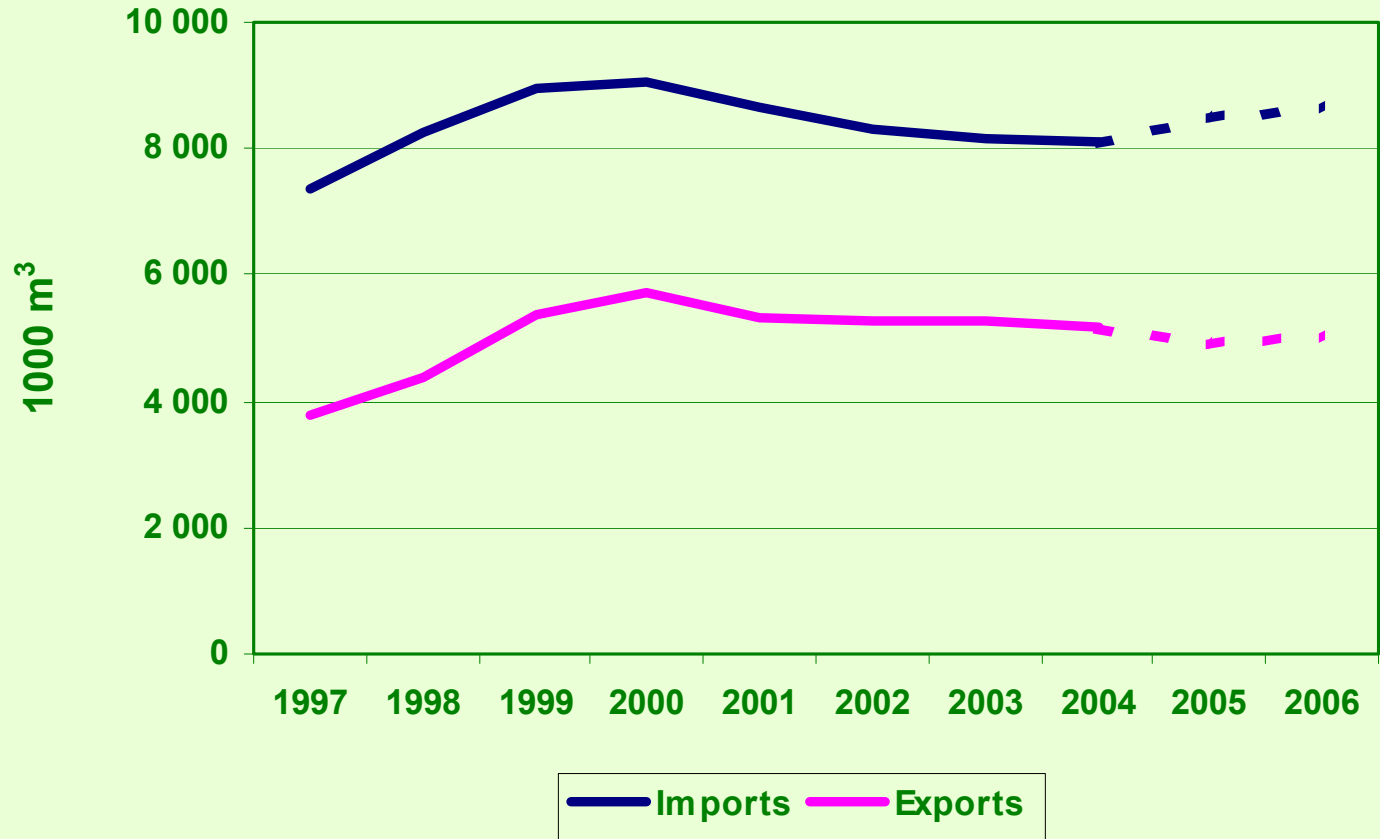
Sawn Hardwood - Europe



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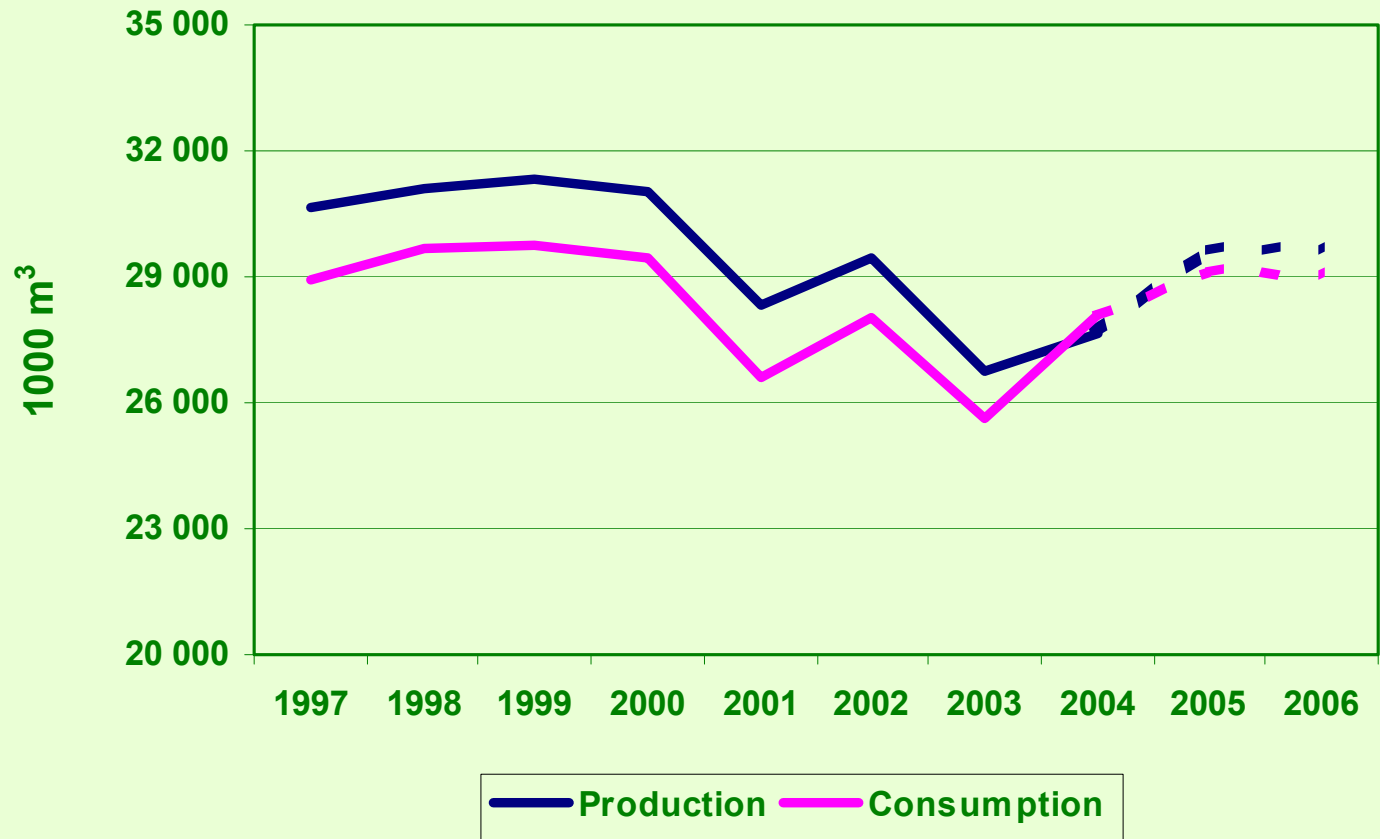
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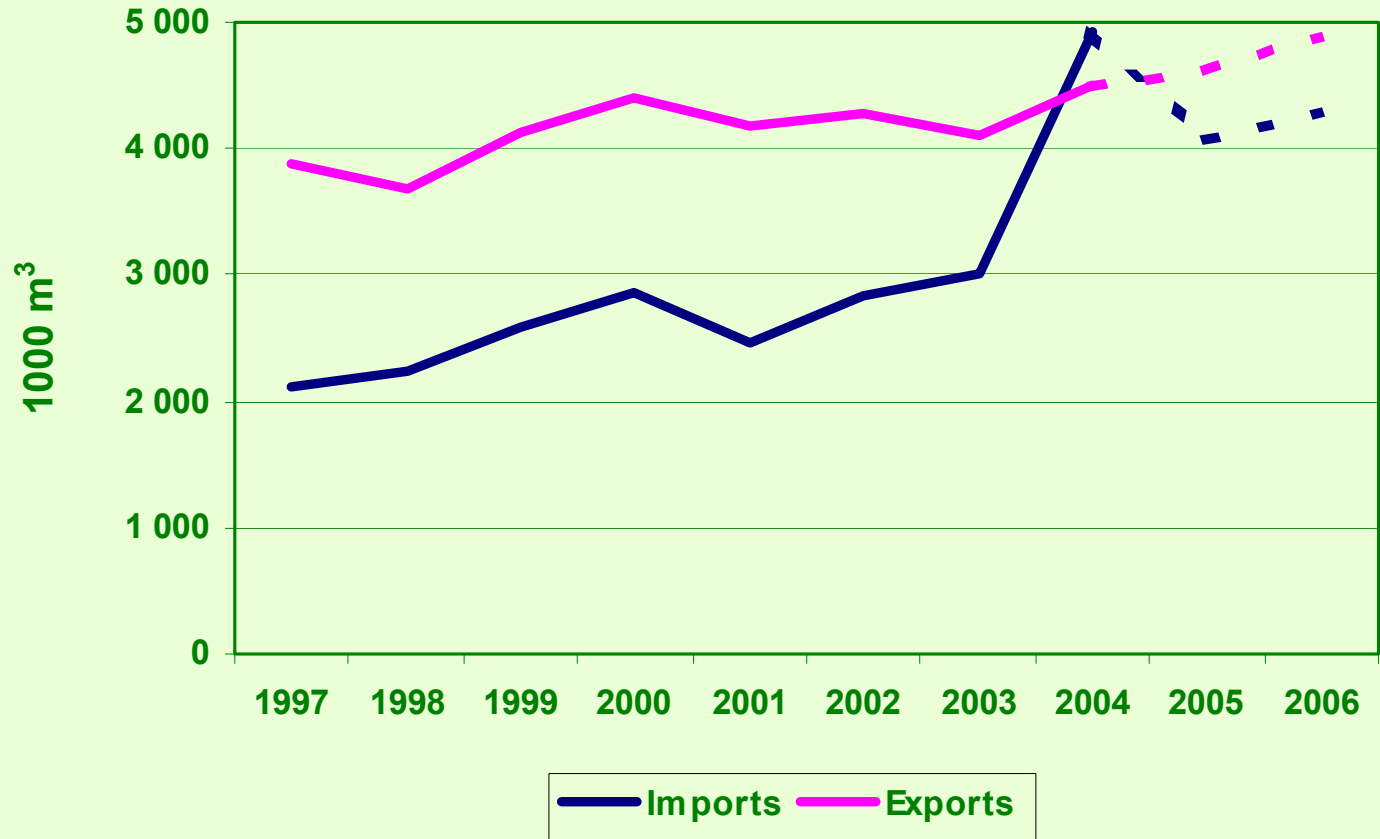
Sawn Hardwood – North America



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Sawn Hardwood – North America



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Next Presentation

- Sawn Hardwood Markets, Mr. **Steffen Rathke**, Chairman-Hardwood Committee, German Sawmill Industry Association



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