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Key findings of the Forest Products Annual Market View
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10. Chemical pulp
11. Industrial roundwood
EUROPE – SAWN SOFTWOOD

2011-2012: Production -4%, Consumption -3%

- Weak construction activity
- Overcapacity
- Overseas exports stable
- Price and availability of sawlogs

Source: UNECE/FAO
EUROPE – SAWN HARDWOOD

2011-2012: Production +1%, Consumption -3%

- Hardwood log overseas exports
- Remanufacturing moving to low cost countries
- Substitution by lower cost materials
- Consumer preferences
- EUTR

Source: UNECE/FAO
EUROPE – PLYWOOD

2011-2012: Production -8%, Consumption -7%

- Price and availability of plylogs in Western and Central Europe
- Imports from China, Brazil, Chile
- Tropical plywood declining
- Weak construction activity
- Bankruptcies and closures in the West
- Russian production growing and industry investing

Source: UNECE/FAO
EUROPE – OSB

2011-2012: Production 4%, Consumption -1%

- OSB still in growth stage
- Substituting other products, mainly plywood, sawn softwood and particleboard
- New capacity coming to Russia and Belarus
- Eastern Europe growing

Source: UNECE/FAO
EUROPE – PARTICLEBOARD

2011-2012: Production -3%, Consumption -4%

- Southern and Western Europe declining consumption
- Competition on wood raw material with bioenergy industry
- Industry consolidating, mill closures e.g. in the UK, Iberia and France
- Eastern Europe growing
- New capacity coming to Russia and Belarus

Source: UNECE/FAO
EUROPE – MDF

2011-2012: Production -1%, Consumption 9%

- Southern and Western Europe stagnant
- Industry consolidating, capacity closures in the West and South
- Eastern Europe growing
- New capacity coming to Russia and Belarus

Source: UNECE/FAO
EUROPE – GRAPHIC PAPER

2011-2012: Production -4%, Consumption -8%

- Tumbling demand especially in Western Europe
- Digital transition and changing consumer habits
- Weakening export opportunities
- Overcapacity
- Prices remained on low level

Source: UNECE/FAO
EUROPE – PACKAGING PAPER

2011-2012: Production 0%, Consumption -2%

- Stable demand
- Continued weakness of general economy and sluggish industrial production
- Fibre packaging considered as sustainable option
- Sourcing RCP becoming a challenge
- Relatively good market balance in Europe excl. Russia
- Prices on fairly good level

Source: UNECE/FAO
EUROPE – MECHANICAL WOOD PULP

2011-2012: Production -3%, Consumption -3%

- Consumption declining due to graphic paper meltdown
- Largely integrated production – limited market pulp volumes
- Stable consumption in packaging sector

Source: UNECE/FAO
EUROPE – CHEMICAL WOOD PULP

2011-2012: Production 1%, Consumption -1%

- Declining woodfree paper consumption and production
- Overseas export opportunities – BSKP in China in particular
- Global commodity – Global pricing
- Current prices close to 5-year average

Source: UNECE/FAO
EUROPE – INDUSTRIAL ROUNDWOOD

2011-2012: Production -1%, Consumption -1%

Million m³

Source: UNECE/FAO
EUROPE – MARKET SUMMARY

- Sawnwood, plywood and particleboard are suffering from the uncertainty in the European economies and weak construction activity
- OSB and MDF markets have developed more positively
- Markets in Eastern Europe developing more positively compared to west
- Graphic papers suffering from structural changes
- Packaging papers relatively stable – renewable packaging
- Pulp and roundwood markets follow the product market developments
- Industry structure differs between the industries, but structural changes are needed.
THANK YOU!

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