European Panel Federation

Overview of the European Wood-Based Panel market and challenges for the industry

Metsä 2013

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European Woodworking Industry

EUR 204 billion in EU27 in 2011

Furniture 45%

Sawmilling and planing of wood 15%

Manufacture of products of wood, cork, straw and plaiting materials 40%

Source: EPF & Eurostat
European Woodworking industry 2011

More than 2.1 million jobs

Furniture 51%
Sawmilling, planing, impregnation 12%
Other woodworking industries stricto-sensu 37%

More than 315,000 enterprises

Furniture 41%
Sawmilling, planing, impregnation 13%
Other woodworking industries stricto-sensu 46%

Source: EPF & Eurostat
Wood-based panels in Europe* 2011

Total: 51.1 million m³

*excluding Russia & Turkey
European Panel Federation

Members in 25 countries

Particleboard
MDF
OSB
Hard & Softboard

EPF
The overall economic development is slow and further developments are still expected.
Wood-based panels

Results 2012
Particleboard production capacity in Europe

(millions m³)

In 2012: 40 millions m³

* estimation / excluding BY and UA
Particleboard production in Europe

(million m³)

In 2012: 28.5 million m³

*estimation
Particleboard end-uses 2012

- Furniture: 66%
- Construction: 23%
- Other: 11%
MDF production capacity in Europe

(millions m³)

In 2012: 15,2 millions m³

* Estimation / excluding BY and UA
MDF production in Europe

In 2012: 11 million m³

*estimation
MDF consumption in Europe

In 2012: 10.3 million m³

* estimation
OSB production capacity in Europe (millions m³)

In 2012: 5.2 millions m³

* estimation / excluding UA
OSB production in Europe

In 2012: 3.6 million m³

*estimation
Cost evolution 2006-2012

- Wood
- Resins
- Energy
- Transport

2006=100
In the EU27, almost half of renewable energy comes from wood & wood waste

<table>
<thead>
<tr>
<th></th>
<th>Wood in gross inland energy consumption, 2010</th>
<th>Production of roundwood, 2011</th>
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<tbody>
<tr>
<td></td>
<td>% of total energy</td>
<td>% of renewable energy</td>
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<tr>
<td>EU27</td>
<td>4.8</td>
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Source: Eurostat
ILUC

An effort of the European Commission to update two directives:

- Fuel quality directive (2008)
- Renewable energy directive (2009)
The European woodworking industries are not opposed per se to the use of wood as fuel, but are opposed to the provision of subventions that either directly or indirectly support the procurement of the fuel which in turn puts established wood processors and manufacturers at a competitive disadvantage and ultimately leads to a loss of investor confidence in such industries.
EPF, together with CEI-Bois, EOS, FEP and FEFPEB elaborated a position paper.

Some of our concerns were taken over in the 1532 amendments that were introduced.
The reality of the story is:

You can use, reuse and recycle wood many times...

Thereby prolonging the carbon cycle

But...

You can burn it only ONCE!
Following this Biomess...some positive news:

EU's decision to include harvested wood products in new carbon accounting rules (LULUCF national action plans):

- Acknowledges carbon storage properties
- Encourages governments to replace more energy-intensive materials with wood
- Plant a second forest!

EPF
Thank you for your attention!

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