Exporting – Practical examples from Belgium

• Presentation

• The Belgian wood sector

• Practical examples
  ➢ Evolution of the poplar roundwood export markets
  ➢ Export strategy of a local hardwood sawmill

• Conclusion
THE BELGIAN WOOD SECTOR

• Forests area: 703,000 Ha – 43.9% certified
• Annual wood increase: 4,913,000 cbm – 99% harvested
• Belgium is a net importer of wood based products
• Structure of small and medium companies
• 7897 companies
• Workforce: 18,383 people
Evolution of the Belgian wood products exports

Source: BNB [2014].

Bruxelles  Wallonie  Flandre
Valeurs ($10^3 \text{€}$)
Evolution of oak roundwood exports 2000-2014
Example of a Poplar logs Company:
from a local supplier to the 2014 Belgian Export Award winner

• Established 1991
• 1991-2008 Supplier of the Belgian market only
• 2008 production : 25,000 cbm
• 2008 Turnover : 1200 k €
• 2009 Economical crisis – Lost of national customers
• 2010 Turnover : 600 k €
Poplar logs Company: Export strategy since 2010

- Personal prospection of new markets
- Assistance from Belgium Export Agency
- Focus on quality and service
- Target markets: Asian countries
Poplar logs Company: 2014 Results

- 2014 Production: 35,000 cbm
- 2014 Turnover: 2.5 M €

- Winner of the 2014 Belgian Export Award
Export strategy of a local hardwood sawmill:

• Established 1991
• Workforce 18 people
• Production of 6000 cbm ash and oak lumbers
• Export to most European countries
• Decently profitable until 2007
Hardwood sawing Company: 2009 dramatical increase of raw material cost

• Asian buyers are massively buying ash logs in Europe
• Ash roundwood price increases from 78 € up to 107 €
• Impossible to transfer the increase on the final product

• The Company is dramatically losing money
Repositioning on the European Market

• Upgrade of the sawing equipment
• Focus on higher quality products
• New customers in same export countries
• Progressive return to profitability
Two companies, two different approaches of the globalization in the wood sector

But also some similarities....

• Same difficulties due to changing conditions on their traditional markets
• Ability to react to new economic environment
• Change for a strategy of higher quality products and service
Any question or remark ?

Thank you for your attention!

Infos & contacts : www.phbois.be  info@phbois.be