European Sawn Softwood Markets

UNECE Timber Committee Market Discussions
8th October 2003
Geneva, Switzerland

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Contents

- Demand
- Supply
- Trade
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Geographical Coverage

Western Europe
- EU and EFTA countries

Eastern Europe
- CEE and CIS
Supply and Demand in Europe

*Overall growth – Supply exceeds demand*

Source: JP database, UNECE/FAO
Demand in Western Europe

Demand in the key markets stagnating – Others growing

Source: JP database, UNECE/FAO
Production in Western Europe

Traditional key suppliers strengthening their share of supply

Source: JP database, UNECE/FAO

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Supply and Demand in Western Europe

*Slow growth in Western Europe*

Source: JP database, UNECE/FAO
Demand in Eastern Europe

Strong growth in demand

Source: JP database, UNECE/FAO
Production in Eastern Europe

Strong growth in production

Source: JP database, UNECE/FAO
Supply and Demand in Eastern Europe

*Growth in net exports*

Source: JP database, UNECE/FAO
Most Western European countries are net importers.
Most Eastern European countries are net exporters
European Overseas Trade (excl. Russia & CIS)

Europe as a whole has become a net exporter

Source: UNECE/FAO, EFI
Demand-Supply vs. Prices - Western Europe

Growing market saturation – Negative impact on prices

Source: JP database
Consumption Per Capita – Europe 2002

Significant variation in consumption per capita

Source: UNECE/FAO
Consumption Per Capita – Global

Correlation between consumption and timber frame housing

<table>
<thead>
<tr>
<th>Region</th>
<th>Share of timber frame housing of new residential construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic countries</td>
<td>45%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>85%</td>
</tr>
<tr>
<td>USA</td>
<td>90%</td>
</tr>
<tr>
<td>Japan</td>
<td>45%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>7%</td>
</tr>
<tr>
<td>Brazil</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Russia</td>
<td>&lt;5%</td>
</tr>
<tr>
<td>China</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>India</td>
<td>&lt;1%</td>
</tr>
</tbody>
</table>

Source: JP database, UNECE/FAO
Conclusions

- Stagnant demand development in Western Europe
- Macro economic drivers do not support significant growth
- Increasing demand and production in low cost countries
- Oversupply in Europe
- Active measures needed:
  - To gain share in overseas markets
  - To increase per capita demand in Europe
Thank You