Represents the interests of the European timber trade and timber imports at the EU Commission and the EU Parliament!
ETTF Members

Danish Timber Trade Federation
ETTF Members

Hellenic Timber Association

German Timber Trade Federation

ETTF
ETTF Members

Royal Netherlands Timbertrade Federation
ETTF Members

[Flag of Spain]

[Logo of AEIM]

[Flag of Sweden]

[Logo of Kärnsund Wood Link]

[Flag of Switzerland]
ETTF Functions

✓ Lobbying the Commission and Parliament
✓ Cooperation with other organisations (FSC ®, PEFC, NGOs)
✓ Technical support
✓ Offer: Networking
ETTF Cooperation partner

ETTF

EIB

CEI-Bois

ITTO

INTERNATIONAL TROPICAL TIMBER ORGANIZATION

atibt

PEFC
ETTF & CEI-Bois Lobbying

- Expert group forest based industries
- Stakeholder group „Halt Deforestation”
- Stakeholder group „EUTR / FLEGT”
- TWG – CEI-Bois
- Sustainability group – CEI-Bois
- TAG / ITTO – Co Partner
ETTF Important issues

- EUTR
- Deforestation-free supply chains
- CPR (VOC) Construction Products Regulation
- CITES / FLEGNT Regulations

- Plywood quota
- Customs matters
# Deforestation-free supply chains

<table>
<thead>
<tr>
<th>Aspect</th>
<th>EUTR</th>
<th>Regulation deforestation-free supply chains (Draft 17.11.2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application of due diligence</td>
<td>For import</td>
<td>For import, export and generally for non-SMEs within the supply chain</td>
</tr>
<tr>
<td>Criteria to consider</td>
<td>Legal logging</td>
<td>Legal logging</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No contribution to deforestation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No contribution to forest degradation</td>
</tr>
<tr>
<td>Required information</td>
<td>Depending on the country of harvest</td>
<td>Depending on the country of harvest</td>
</tr>
<tr>
<td></td>
<td></td>
<td>in addition: in principle GPS coordinates of all timber origins</td>
</tr>
<tr>
<td>Special requirements for individual countries on the part of the EU</td>
<td>Only in individual cases</td>
<td>Classification of all countries into low, medium and high risk planned</td>
</tr>
<tr>
<td>Import declaration</td>
<td>Not necessary</td>
<td>Registration required before import or export, including confirmation of negligible risk and GPS coordinates of all timber origins</td>
</tr>
</tbody>
</table>
## Deforestation-free supply chains

<table>
<thead>
<tr>
<th>Aspect</th>
<th>EUTR</th>
<th>Regulation deforestation-free supply chains (Draft 17.11.2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Treatment of FLEGT and CITES goods</strong></td>
<td>Excluded from the EUTR</td>
<td>FLEGT commodities meet the legality criteria, but deforestation still needs to be assessed. For CITES commodities, both legality and deforestation must be verified</td>
</tr>
<tr>
<td><strong>Testing requirements for authorities</strong></td>
<td>Authorities to carry out controls</td>
<td>Authorities must inspect 5% of all imports and 15% of all imports from high-risk countries annually</td>
</tr>
<tr>
<td><strong>Justified concerns of third parties (e.g. NGOs)</strong></td>
<td>Can lead to official audits</td>
<td>Authorities must follow up on reasonable concerns</td>
</tr>
<tr>
<td><strong>Legal action for third parties</strong></td>
<td>Not foreseen</td>
<td>Anyone with a legitimate interest (e.g. NGOs) has the right to challenge decisions of the authorities in court</td>
</tr>
</tbody>
</table>
**Conclusion:**

ETTF welcomes the fact that the most significant polluters of global forest degradation are being held accountable.

**Aber:**

- Even for export or sale to large companies within the supply chain: due diligence system
  - additional bureaucracy,
  - Supply chain disclosure,
  - The EUTR has shown that importers are able to implement due diligence well and that additional downstream checks are unnecessary.

- A blanket demand for GPS coordinates of all land parcels is hardly feasible
  - Wood-based materials!
  - Senseless, with limited traceability
New EU Forest Strategy 2030 / EU Biodiversity Directive:

- Target: CO2 reduction 55% by 2030 "fit for 55"
- Timber industry represents 20% of the manufacturing companies in the domestic market, 3.6 million jobs, 640 billion € turnover
New EU Forest Strategy 2030 / EU Biodiversity Directive

✓ Climate Protection Act LULUCF – Forest as a Climate Sink

✓ Habitats Directive – Protection of primary and old-growth forests, set-aside

✓ RED II amendment Renewable Energies Directive, no energetic use of indigenous wood species


✓ EUTR II deforestation-free products as of 2024
New EU Forest Strategy 2030 / EU Biodiversity Directive

- Planting 3 MRD additional trees by 2030
  (Spruce 3000/ha = 3 million ha/10 TSD/member)

- Transition from short-lived to long-lived wood use

- New European Bauhaus

- European forestry associations are up in arms

- Timber industry alerts of considerable supply bottlenecks if proposals are strictly implemented
Market development timber trade

Turnover in % - cumulative 2019-2022 (weighted)
Market development timber trade

Change in turnover in % compared to previous year (weighted)

Sawn timber
Panel materials
Building Components

April 2022
Market development timber trade

Change in turnover in % compared to previous year (weighted)

Planed Timber | Flooring | Garden wood | Services
---|---|---|---
 april 2022 | -22 | -17 | -12 | -7 | -2 | 3 | 8 | 13 | 18 | 23 | 28 | 33 | 38 | 43 | 48 | 53 | 58 | 63

April 2022
Market development timber trade

Turnover 04.2022 in % compared to previous year (cumulated)

<table>
<thead>
<tr>
<th>Category</th>
<th>% Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sawn timber</td>
<td>13.6%</td>
</tr>
<tr>
<td>Panel materials</td>
<td>25.7%</td>
</tr>
<tr>
<td>Building components</td>
<td>11.6%</td>
</tr>
<tr>
<td>Planed timber</td>
<td>3.4%</td>
</tr>
<tr>
<td>Flooring</td>
<td>19.9%</td>
</tr>
<tr>
<td>Garden wood</td>
<td>6.0%</td>
</tr>
<tr>
<td>Services</td>
<td>5.1%</td>
</tr>
</tbody>
</table>
Market development timber trade

Turnover 04.2022 in % compared to previous year (cumulated)

* Non-wood assortments, special wood assortments, finishing products

- Sawn timber: 38.5%
- Planed timber: 17.0%
- Panel materials: 13.7%
- Flooring: 5.8%
- Building Comp.: 5.6%
- Garden wood: 7.9%
- Services: 10.5%
- Others *: 1.0%

April 2022
Market development timber trade

Expected turnover in % in retail and wholesale as of 04.2022

<table>
<thead>
<tr>
<th></th>
<th>Wholesale</th>
<th>Retail</th>
<th>Margin (backward)</th>
</tr>
</thead>
<tbody>
<tr>
<td>higher</td>
<td>17.4</td>
<td>5.9</td>
<td>12.5</td>
</tr>
<tr>
<td>about equal</td>
<td>39.1</td>
<td>29.4</td>
<td>10.1</td>
</tr>
<tr>
<td>low</td>
<td>43.5</td>
<td>25.0</td>
<td>18.5</td>
</tr>
</tbody>
</table>

Expected turnover in % - April 2022
Market development timber trade

Business barometer turnover development in %

How do you assess the turnover development for the next three months?
Market development timber trade

Change in turnover by quantity / price in %
Is change in turnover due to real increase in sales volume or a price adjustment?

Change in turnover by quantity / Price in %

- Price: 92%
- Quantity: 8%

April 2022
Activities: Wood for Bauhaus, Berlin

- Initiative of the Commission
- Affordable, prefabricated elements
- Question of procurement
- Solutions with mixed materials
- Subsidies?
General Meeting: Swiss Timber Trade Association

- Presentation ETTF
- Activities Brussels
- Market overview Europe
- Swiss trade: about 50 members / majority: whole sale
- Large stocks
- Good market situation
- Swiss EUTR came into force → Own DDS
General Meeting: CEI-Bois
Skellefteå “City of wood”

- 70th anniversary
- 60 m high timber tower – Wooden construction

- Report and activities
  - Halt deforestation
  - VOC new working group
  - Trading group / India
  - Sustainability group

- Proposal: Increase membership fee by 3%. ETTF about 16 TSD Euro
National stakeholder meetings on halt deforestation

- Germany: new left … Ministry of food and agriculture
- Fights for the intensification of the Commission’s proposal
- Even more regulations:
  - Trade needs the umbrella of legislation
  - Geo localisation everywhere
- Resume:
  - European partners should influence their national ministries (France)
Preparation of the International Hardwood Conference (IHC), 28. October in Lyon (FR)

✓ Ad Wesselink / Thomas Goebel

✓ Good mixture of reports

✓ Innovative products from tropical species

✓ Good collaboration of EOS / ETTF

✓ Thanks to the host – French industry association: FNB (Fédération Nationale du Bois)

✓ CEI-Bois president will be the moderator of IHC 2022

✓ IHC 2024 hosted by ETTF members – Who is interested?
Preparation of the International Softwood Conference (ISC), 12./13. October in Copenhagen (DK)

- Morten Bergsten / Nils O. Petersen / Iris Irwin

- Shows facts and figures on softwood production as well as consumption:
  - impact of the pandemic and the war in the Ukraine
  - focus on legislative measures related to combating climate change

- Good collaboration of EOS / ETTF

- Thanks to the host – Danish Timber Trade Federation

- Keith Fryer will moderate the ISC 2022
Thank you for your attention!