

PRESS RELEASE



02/2022

European timber trade expects slowing momentum in the second half of 2022

At the members' meeting of the European Timber Trade Federation (ETTF) on 24 June in Amsterdam, the current market situation and the outlook for the rest of the year were intensively discussed. In the member countries, business has been very good in the first and partly also in the second quarter, this is especially true for the building industry as a buyer, as well as for construction timber, solid wood and planed products. The DIY market, on the other hand, was described as declining; this was reported particularly by the members from Spain and France, but certainly also applied to all the others. Overall, the trade's warehouses are well filled and will be sold off over the course of the year; the discussion is whether the warehouses shall be replenished at the same level.

There are considerable consequences for timber imports across Europe from the EU's 5. sanctions package, which bans the import of timber and timber products from Russia and Belarus. The substitution of birch plywood or larch is currently estimated to be very difficult after the sale of stock from 2023 at the latest. The question arises whether, for example, the Chinese will now serve themselves on the Russian market more extensively and if, therefore, exports from the domestic market to Eastern Europe will be lowered.

For the second half of the year, the European timber trade expects a significant slowdown in business momentum. The order books of the most important customer groups are still full, but it is doubtful whether there will be a comparable volume of new orders afterwards. Due to the difficult economic situation, inflation, rising mortgage rates and difficult price estimates, greater restraint in overall demand is expected. Besides, the logistics situation remains tense in large parts of Europe. There are reports from Western Europe of a considerable shortage of workers in all places, which, according to the associations' estimates, may become even worse in the coming years.

In summary, the ETTF President Ad Wesselink, Kampen (NL), pointed out that the increases in turnover, some of which were considerable, were essentially price-related and had required significant organizational and operational effort on the part of the trading and importing companies. The ETTF General Assembly continued to deal intensively with the various regulatory measures planned by the EU Commission, first and foremost with the forthcoming regulation on the import of products from entirely deforestation-free sources. As matters are, the new draft means more bureaucracy for timber imports. ETTF has been intensively involved in the discussion at various places over the past months. The draft regulation is now with the EU member states and is being discussed there.

For the first time in 2 ½ years, the ETTF General Assembly had been taking place in presence, and so the 20 participants from eight national member federations used the subsequent convivial evening event in the centre of Amsterdam intensively for further exchange.

Berlin, July 2022



Photo: © ETTF – Participants at the ETTF General Assembly in Amsterdam.