



EUROPEAN PANEL FEDERATION
WOOD - BASED PANELS



EPF Annual General Meeting – Open Part
Clive Pinnington – EPF Managing Director
Santiago de Compostela, Spain
23 June, 2023

Agenda

- 1. Who we are and key 2022 drivers**
- 2. 2022 Wood-Based Panel Industry Results**
- 3. 5 Strategic Directions Advocacy and Highlights**

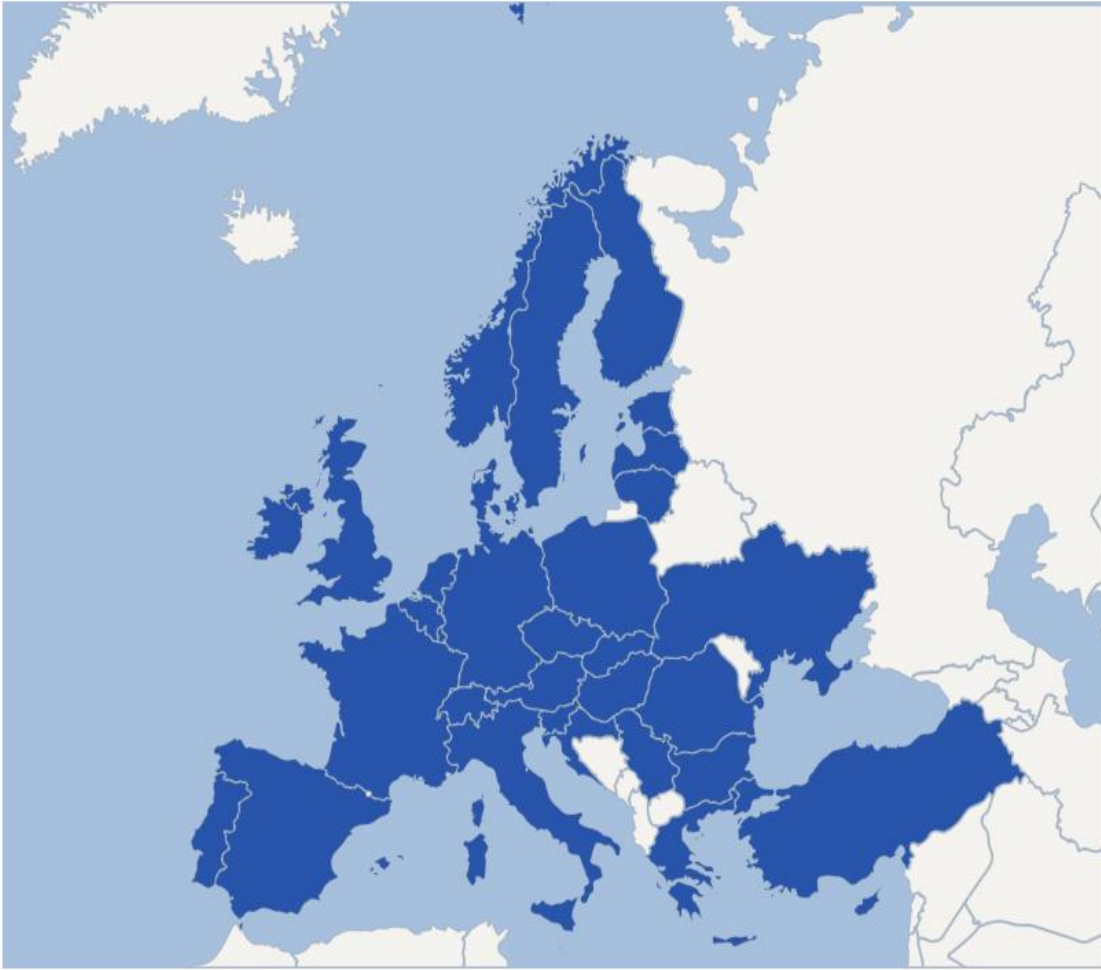


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1. Who we are and 2022 drivers



European Panel Federation

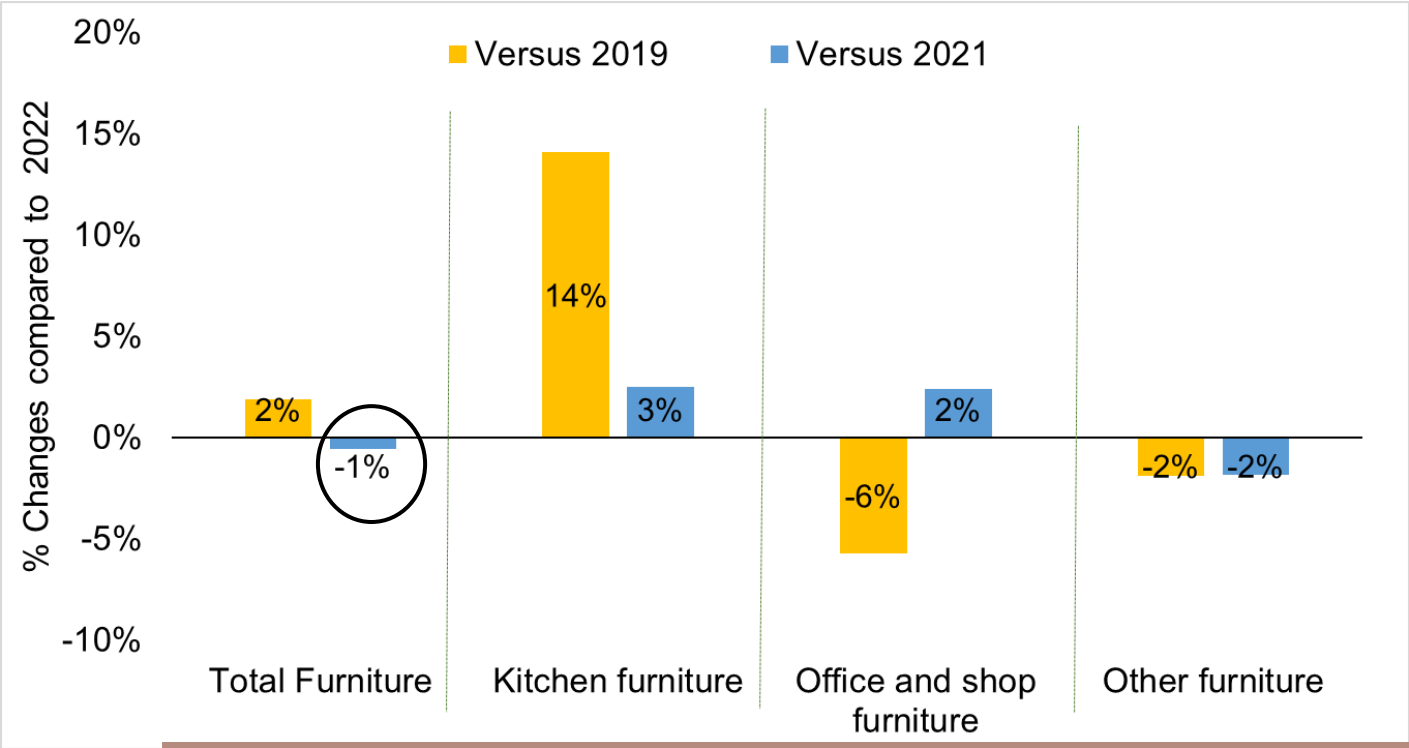


- **All wood-based panel types (Particleboard, MDF, OSB, Hard- and Softboard, Plywood)**
- **Members in 30 European countries**
- **100,000 jobs**
- **€25 billion turnover**

Manufacture of Furniture in EU-27 in 2022



% Changes compared to 2022 (volume wise: calendar and seasonally adjusted)



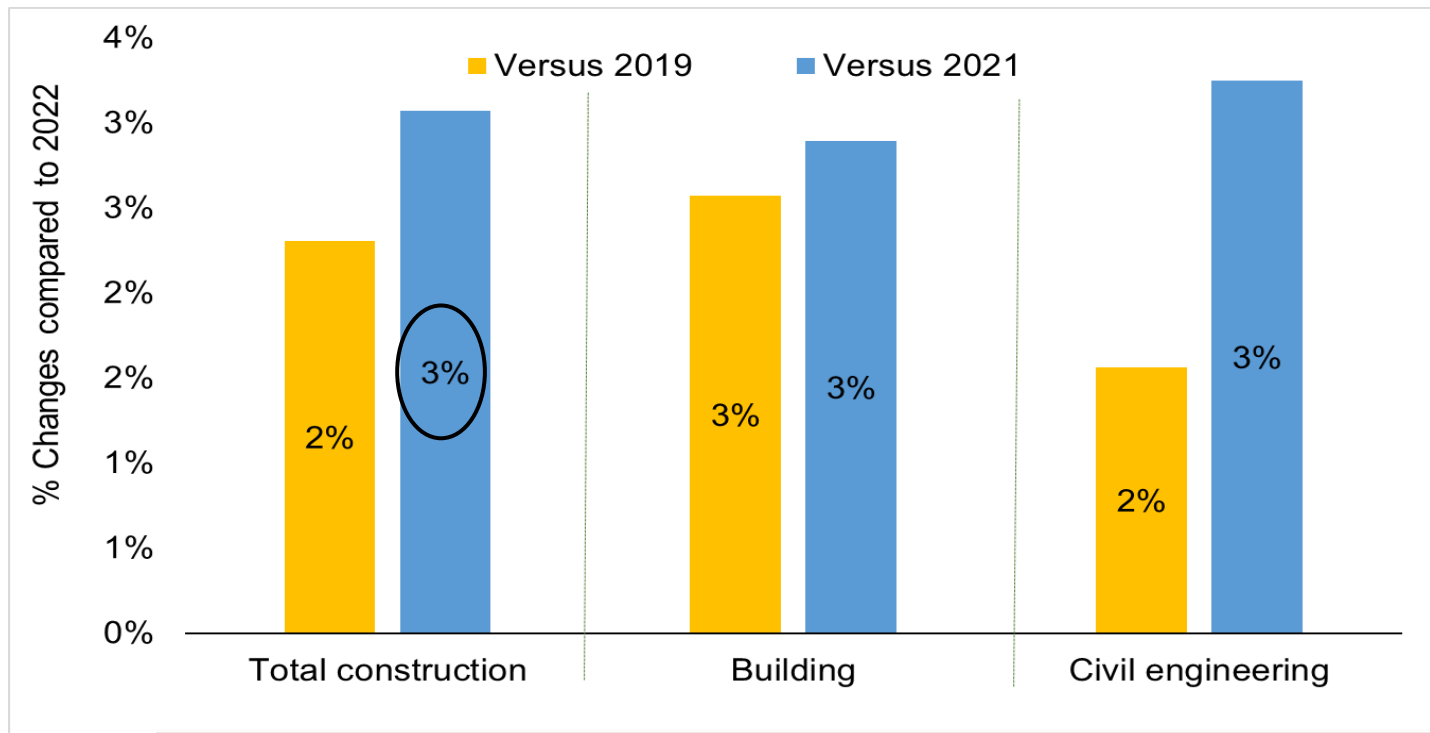
- All furniture segments contracted in Q4 2022
- Uncertain economic situation and high energy prices reduced the household purchasing power
- High-end segments showed better performance

Source: Eurostat

Construction sector in EU-27 in 2022



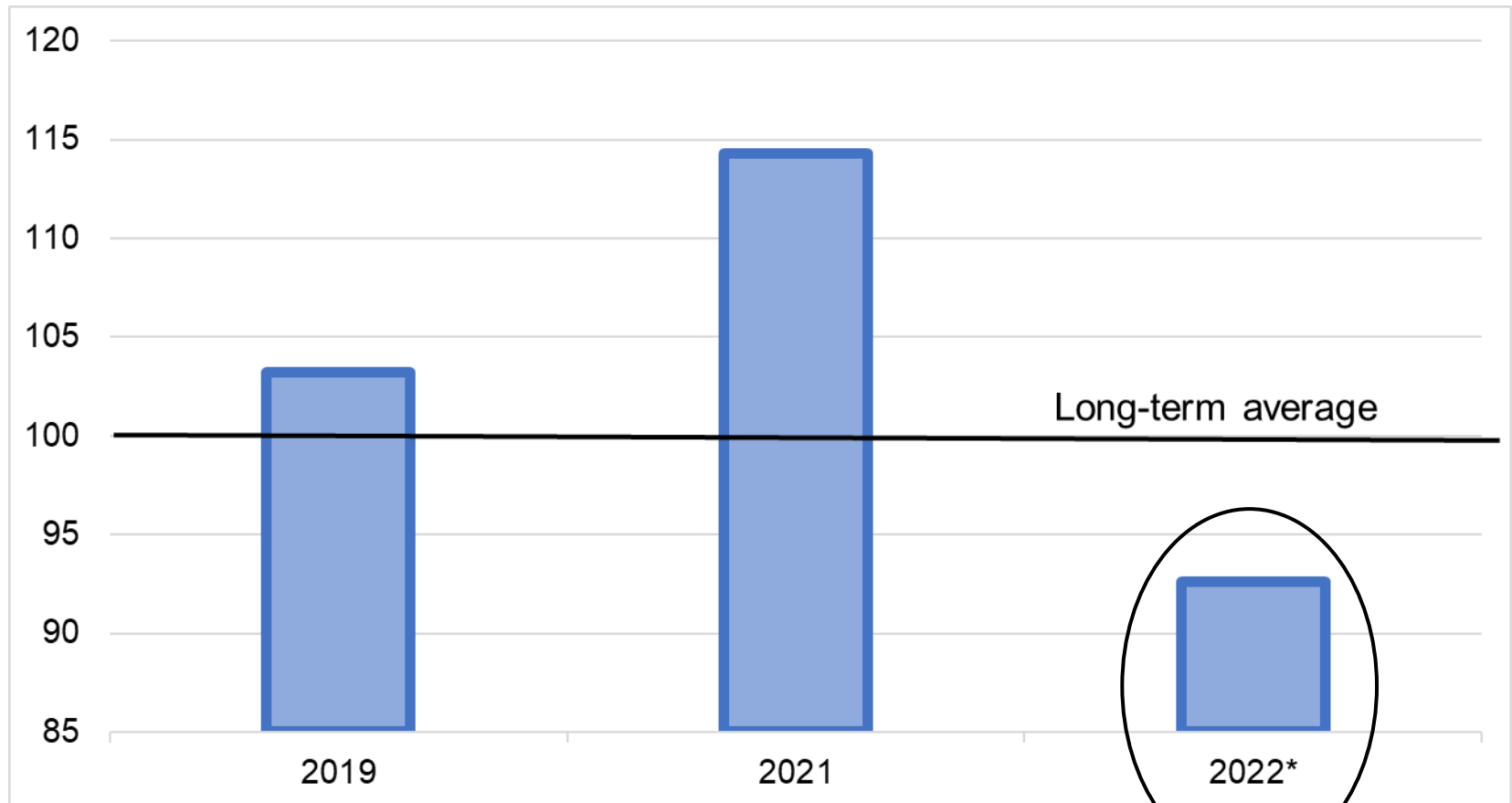
% Changes compared to 2022 (volume wise: calendar and seasonally adjusted)



- Availability of public funds supporting civil engineering construction in 2022
- Building sector benefitted from rising housing market in H1 2022 with a sea change in H2 2022

Source: Eurostat

Economic Sentiment Indicator in the EU



* minimum level

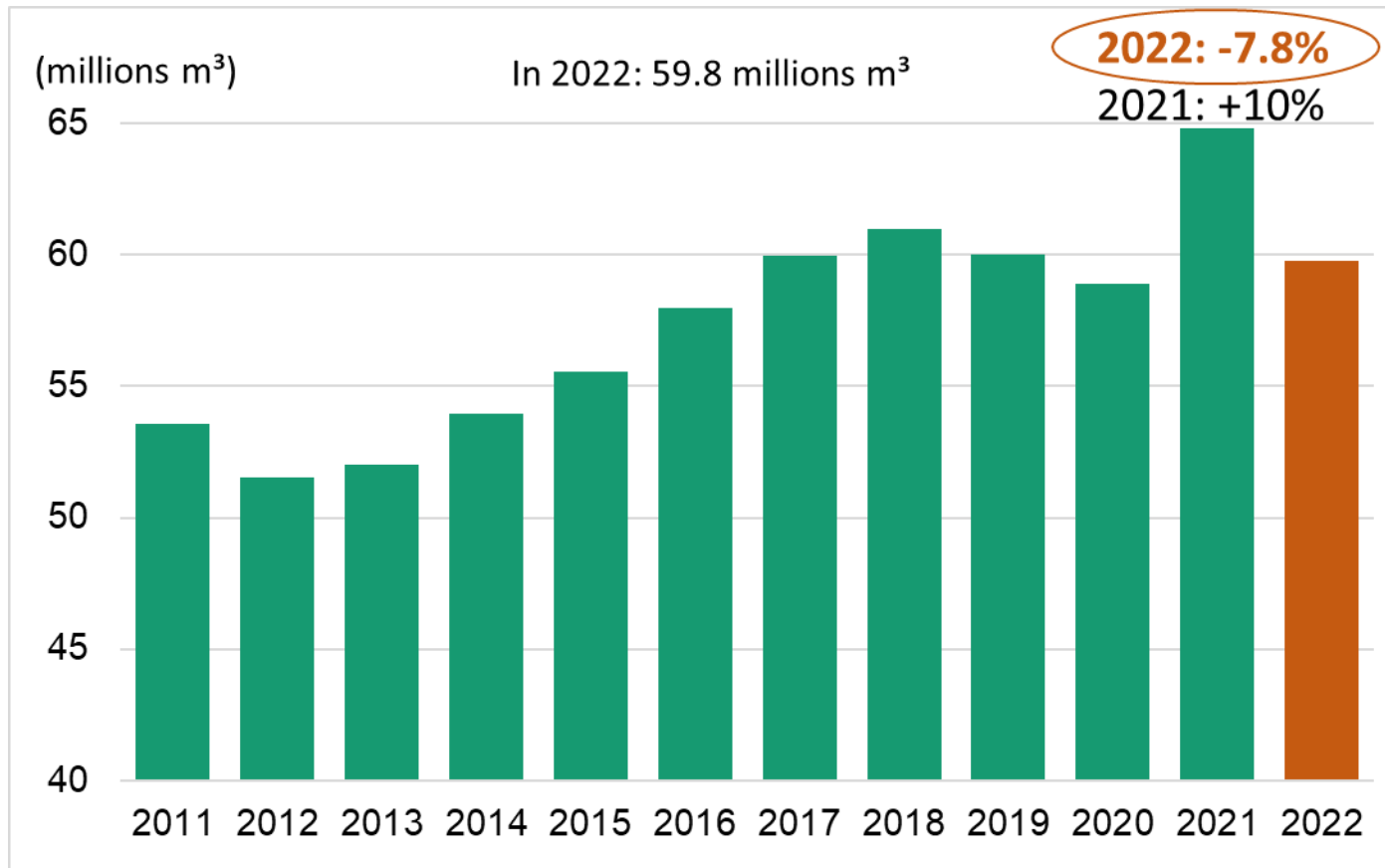


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2022 Full Year Statistics



2022 WBP Production in EPF Countries down -7.8% towards pre-pandemic levels

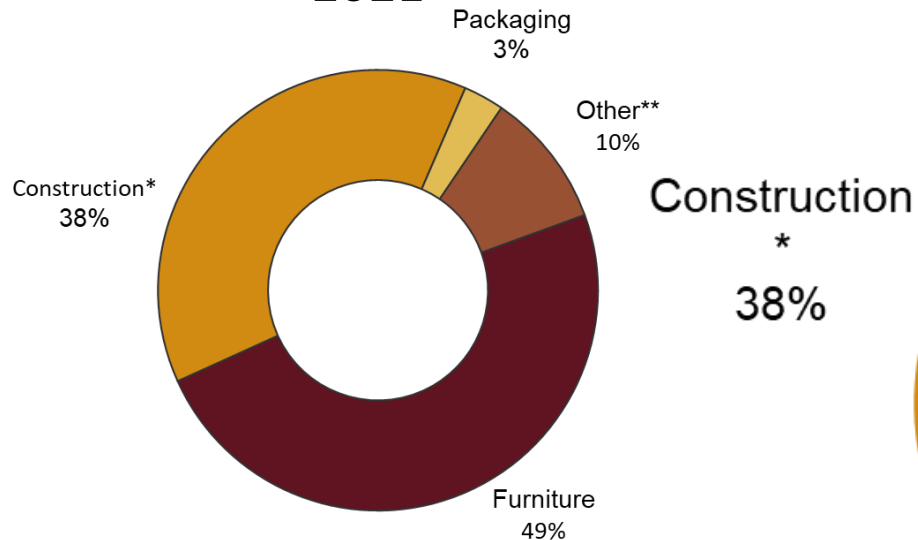


- Output was affected by the energy crisis in H2 2022
- A slight decline in production in H1 2022 (-3%, year-on-year) accelerated to -14% in H2 2022

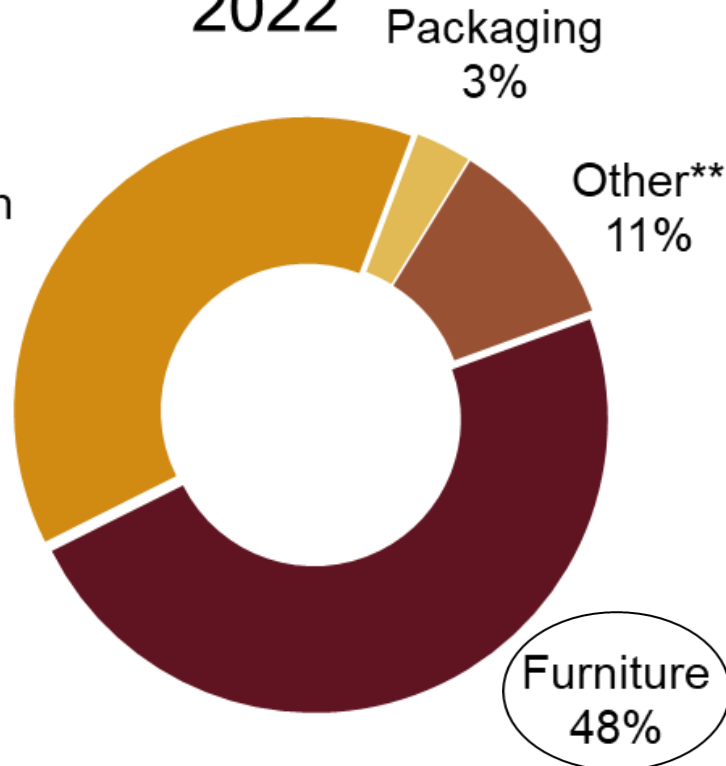


Wood-Based Panels (PB/MDF/OSB/HSB/PLY) End-Uses in EPF countries

2021



2022



- Furniture output in the EU-27: +4% in H1-2022, -5% in H2-2022
- Construction production : -3% on a real terms versus 2021



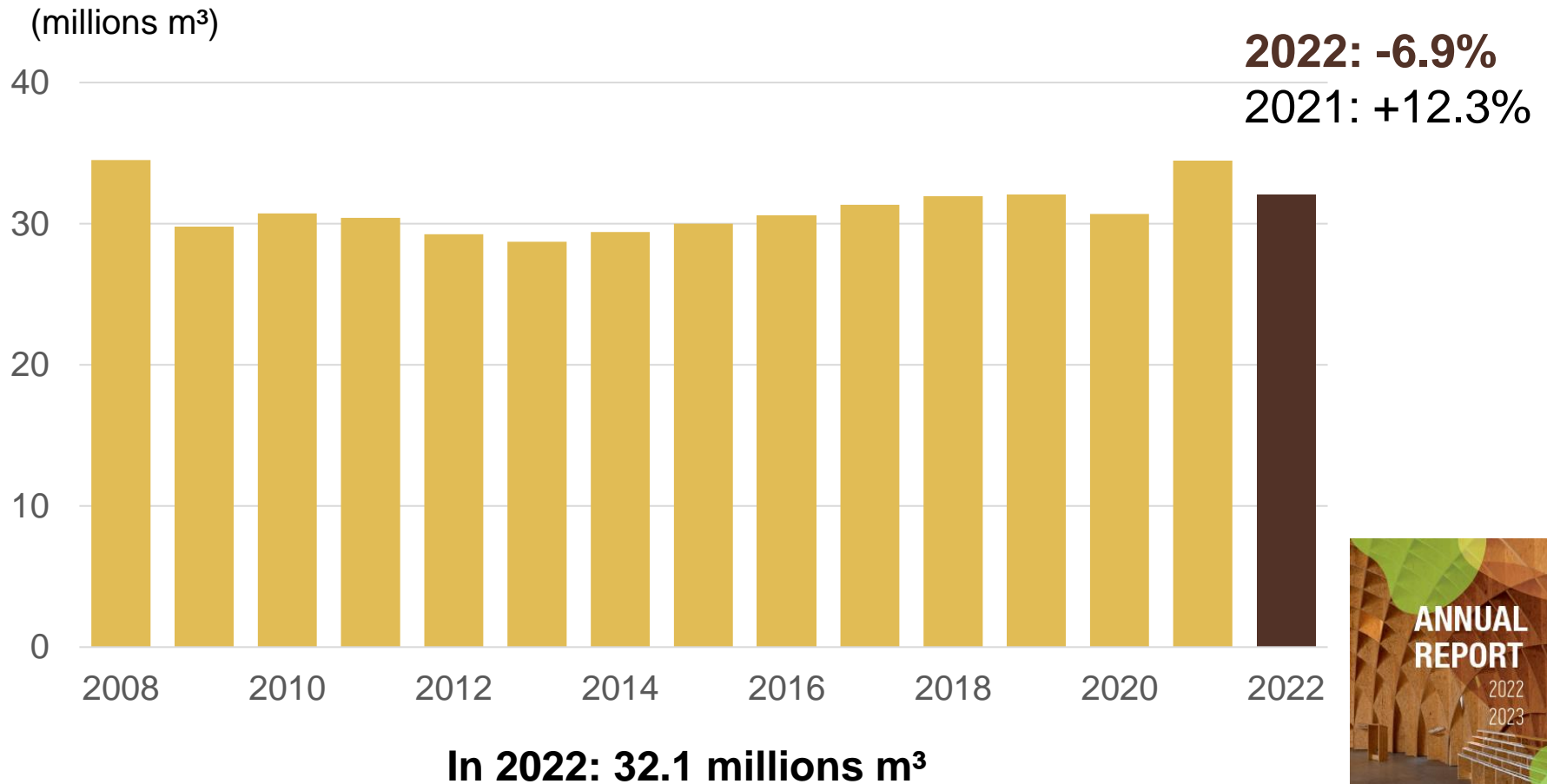


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Particleboard

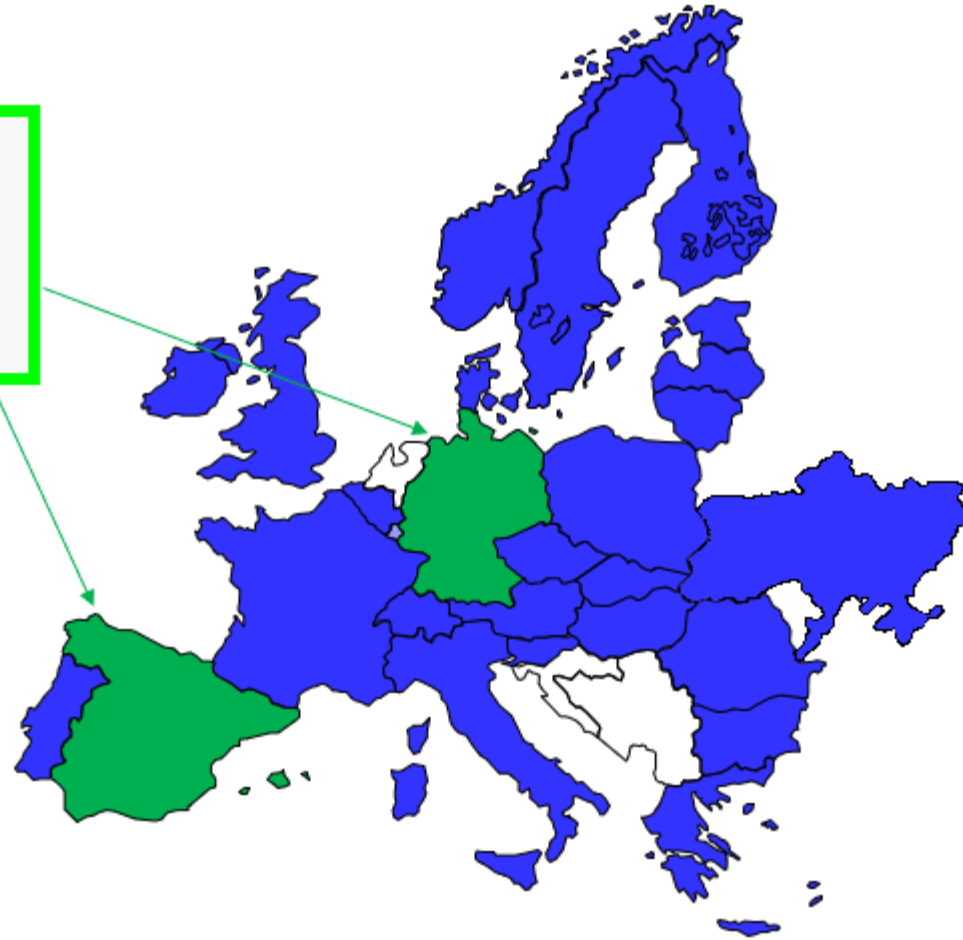


Particleboard Production in EU27+UK+EFTA



Particleboard Announced Plant Extensions 2022 +1%

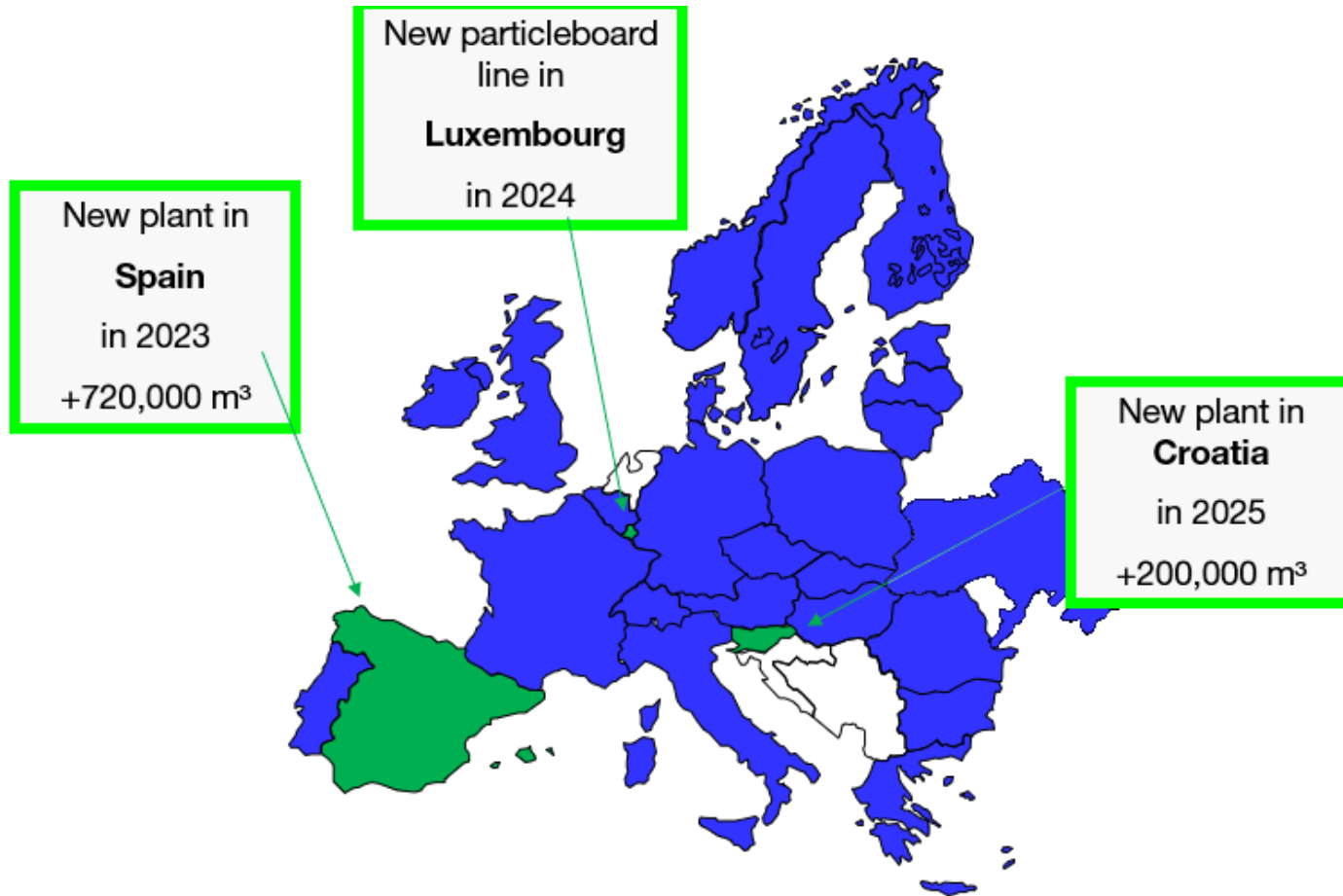
Extensions in
Spain
Germany
+265,000 m³



Total: 265,000 m³ (+1%)

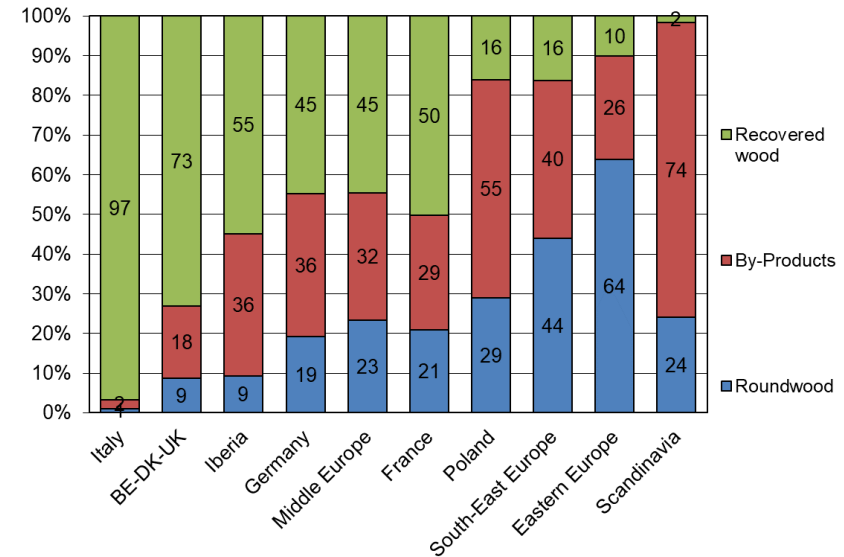
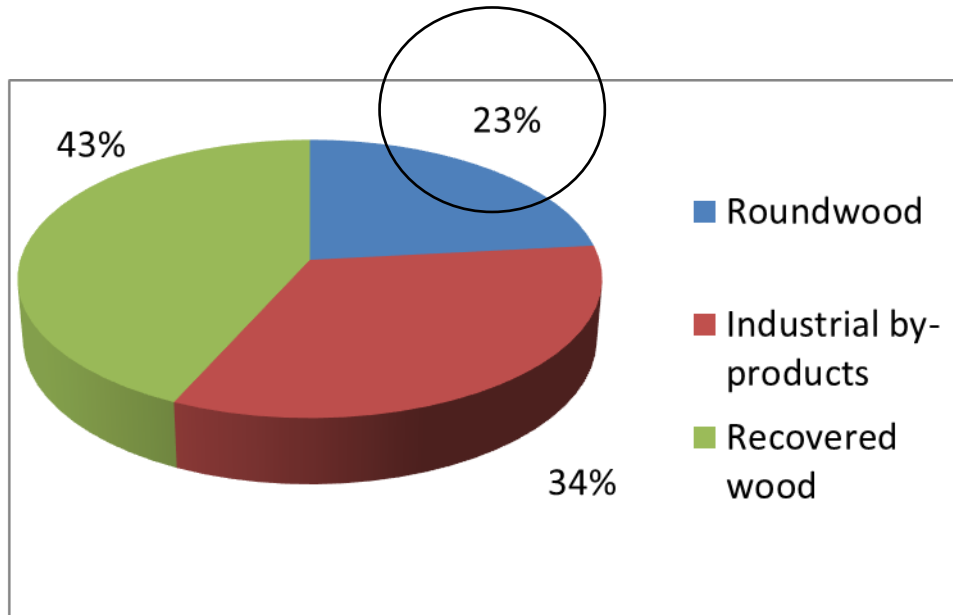


Particleboard Announced New Capacities > 2023 +3.3%



Total: at least 900,000 m³ (+3.3%)

Composition of the raw wood products mix (%) in the European particleboard industry, 2022



- Share of recovered wood in PB production: stable at 43%
- Industrial by-products up from 33% to 34%
- Roundwood reduced from 24% to 23% (less than ¼!)
- Saving +9 million dry tonnes of fresh wood





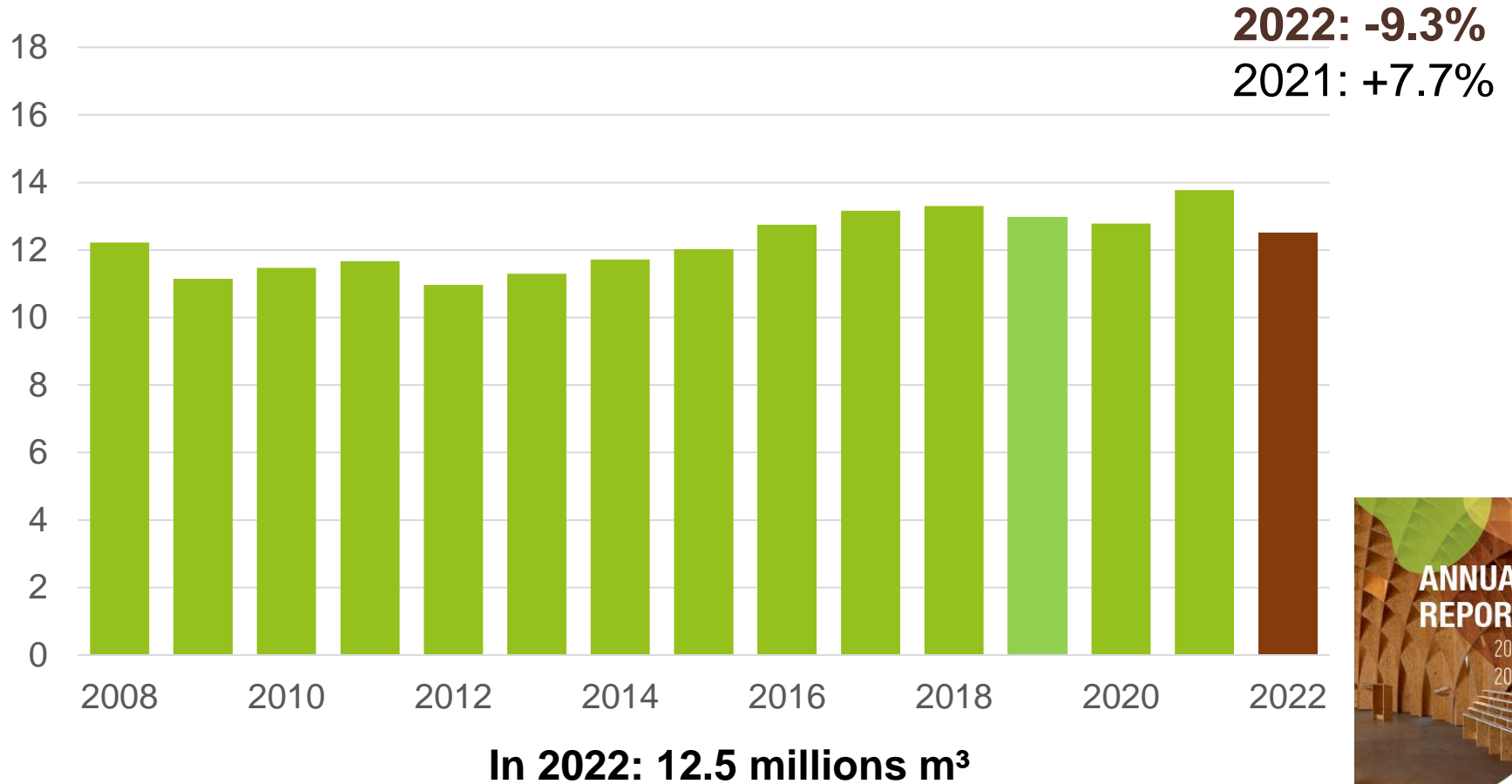
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MDF

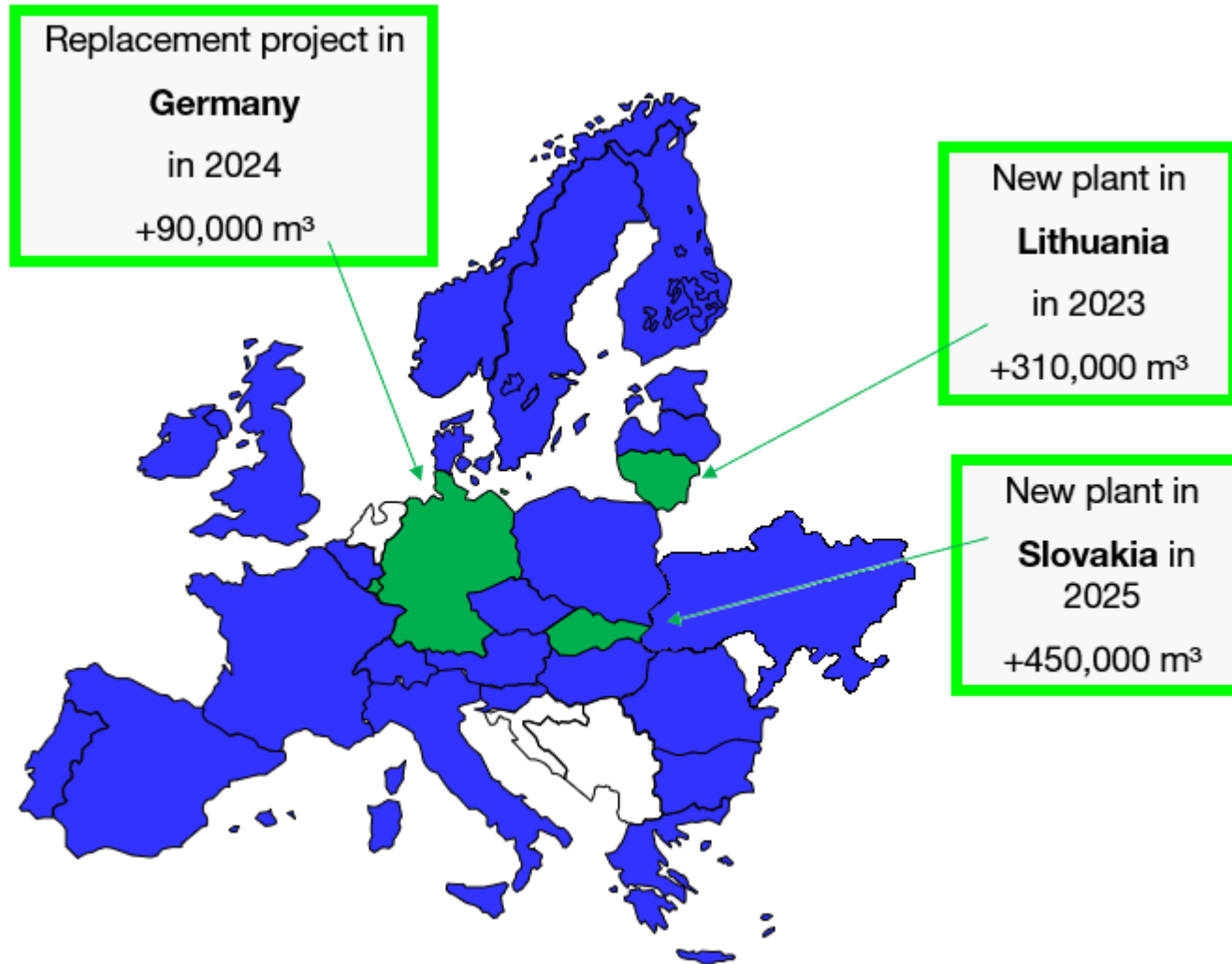


MDF – production in EU27+UK+EFTA

(millions m³)



MDF Announced New Capacities and replacement projects in 2023 and beyond



Total: 850,000 m³ (+2.5%)



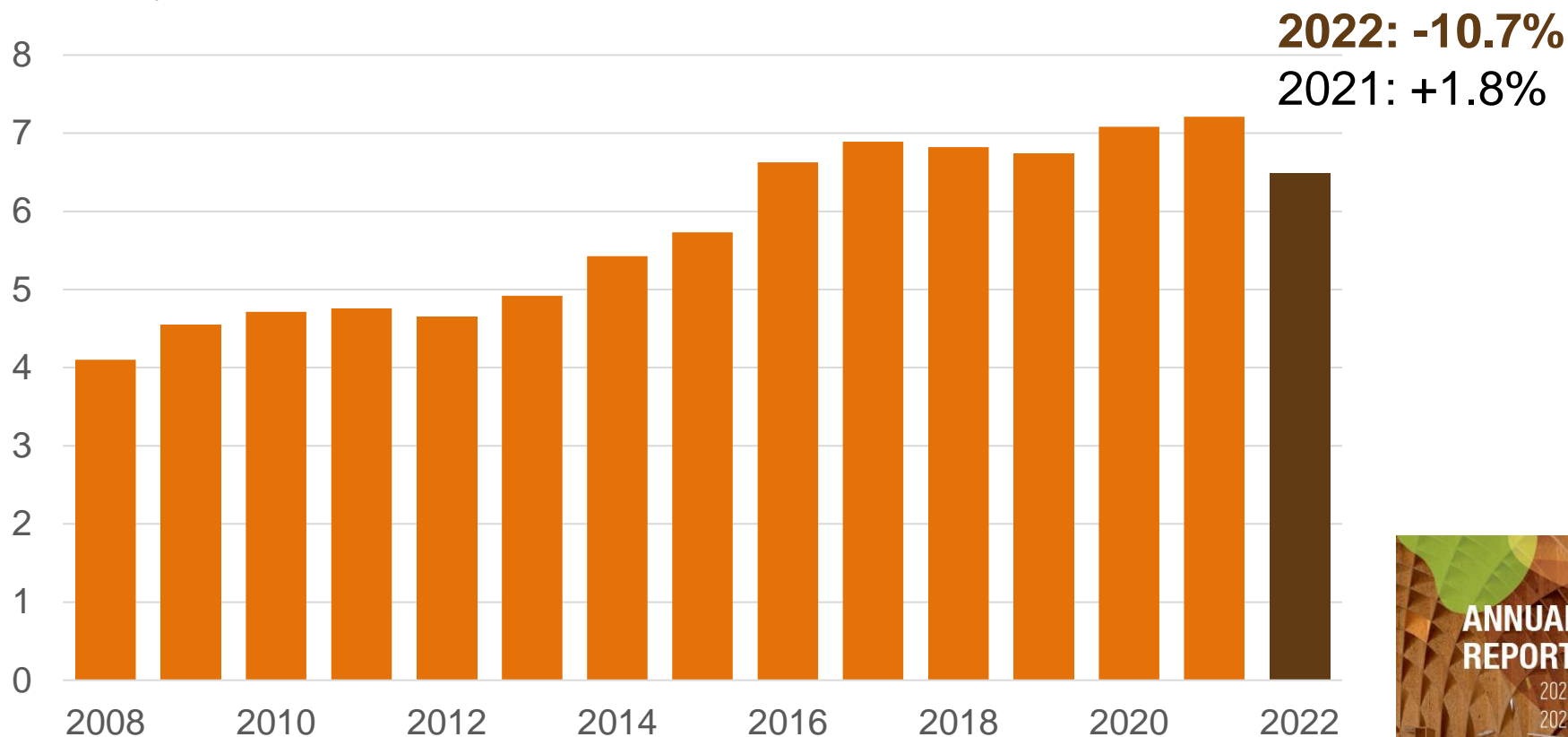
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OSB



OSB Production in EU27+UK+EFTA

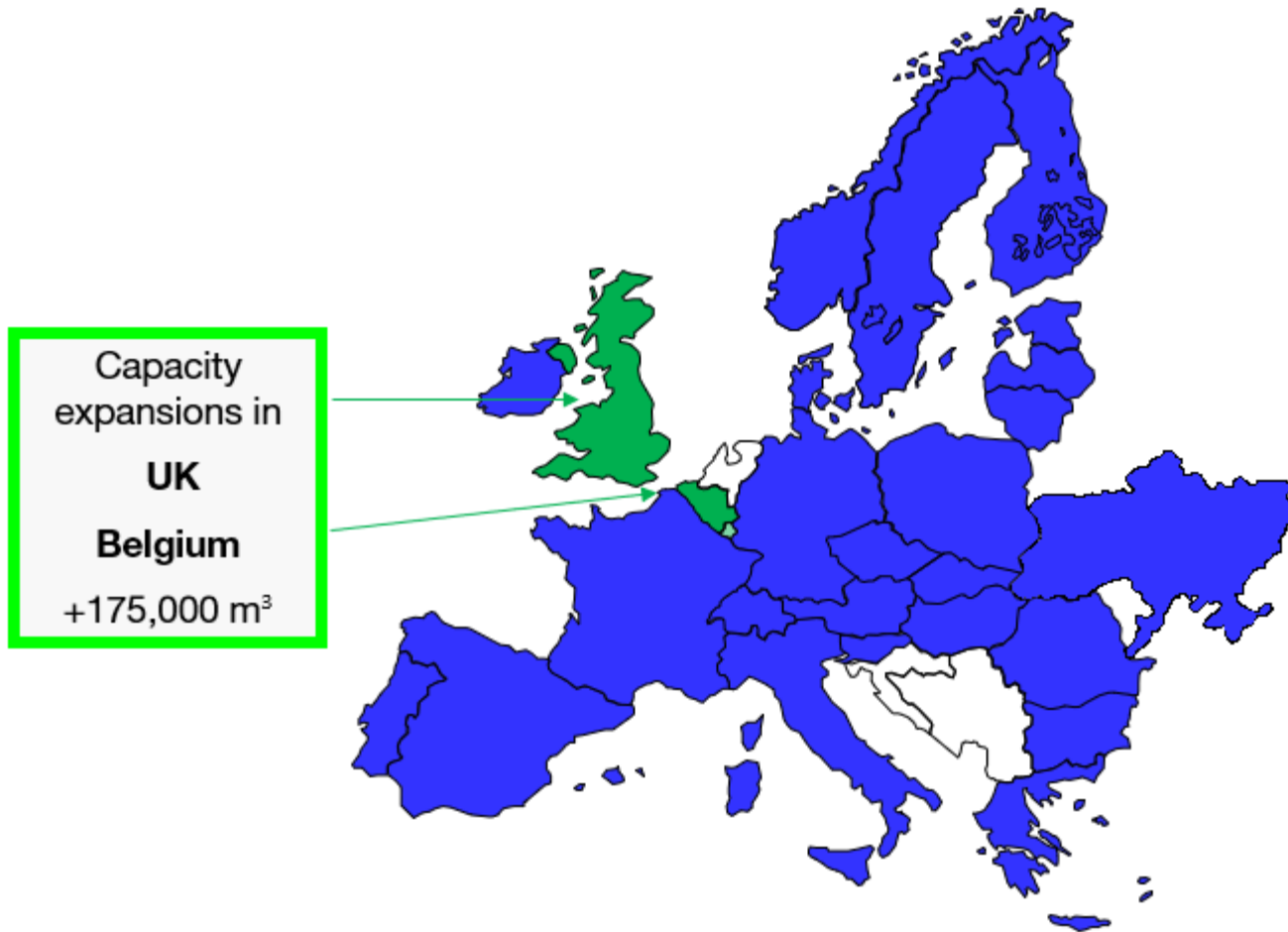
(millions m³)



In 2022: 6.4 millions m³

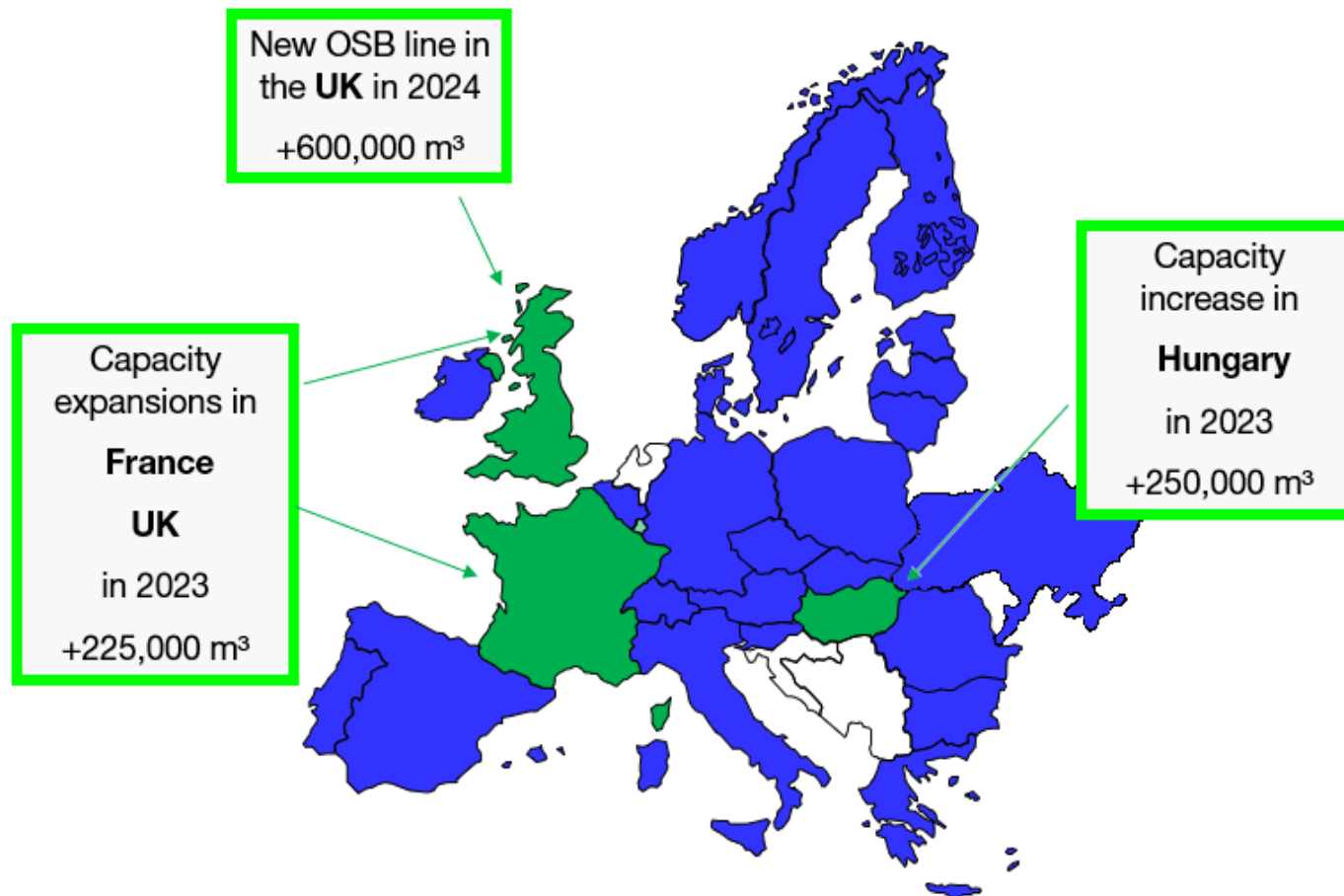


OSB Plant Announced Capacity Expansions 2022 +2.3%



Total: 175,000 m³ (+2.3%)

OSB Plant Announced New Capacities in >2023 +15%



Total: +1.08 million m³ (+15% from 2022 levels)





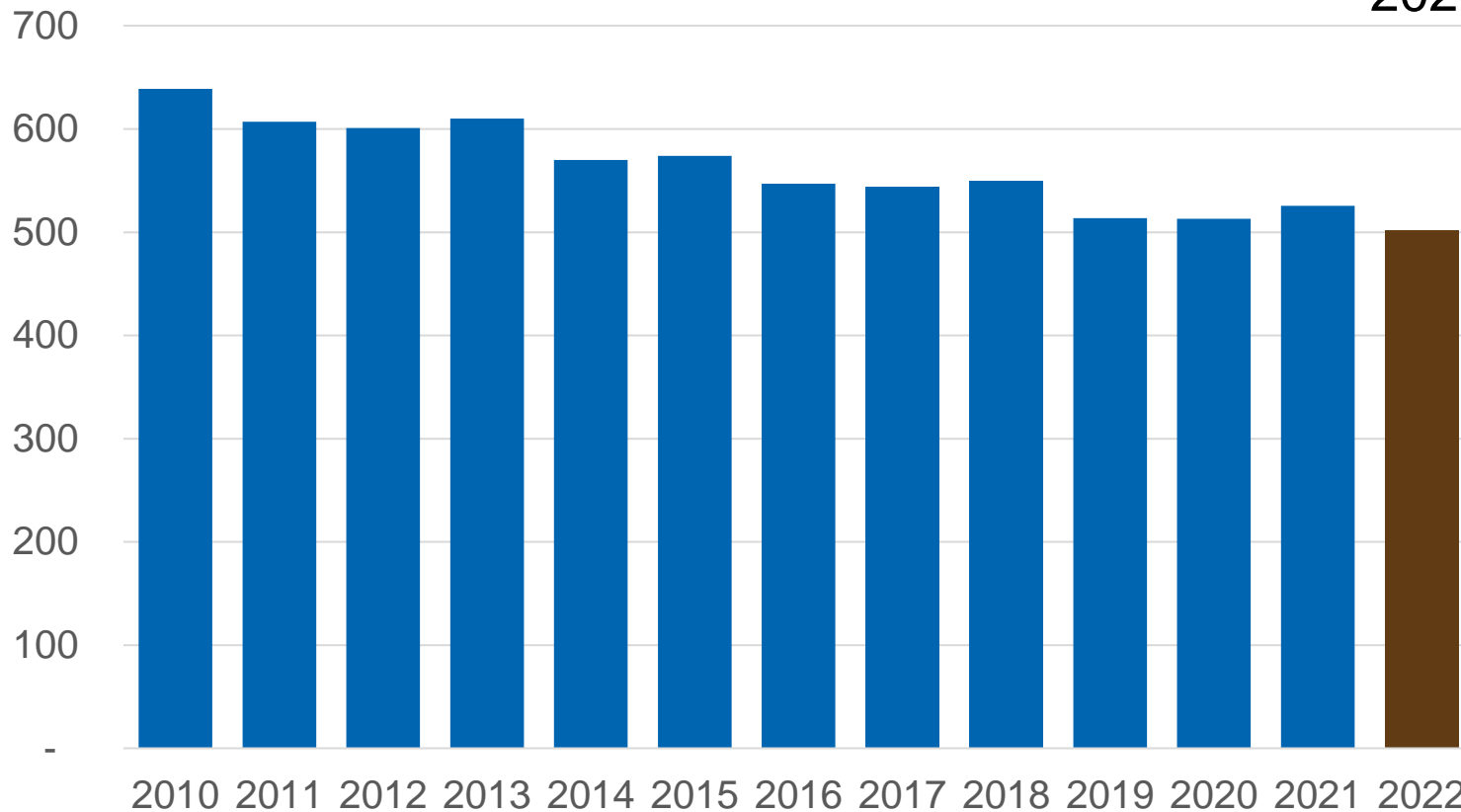
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HARDBOARD



Hardboard – production in EU27+EFTA

(1,000 m³)



2022: -4.4%
2021: +2.5%

In 2022: 0.5 millions m³

EU27 capacity: 0.7 million m³ (stable)





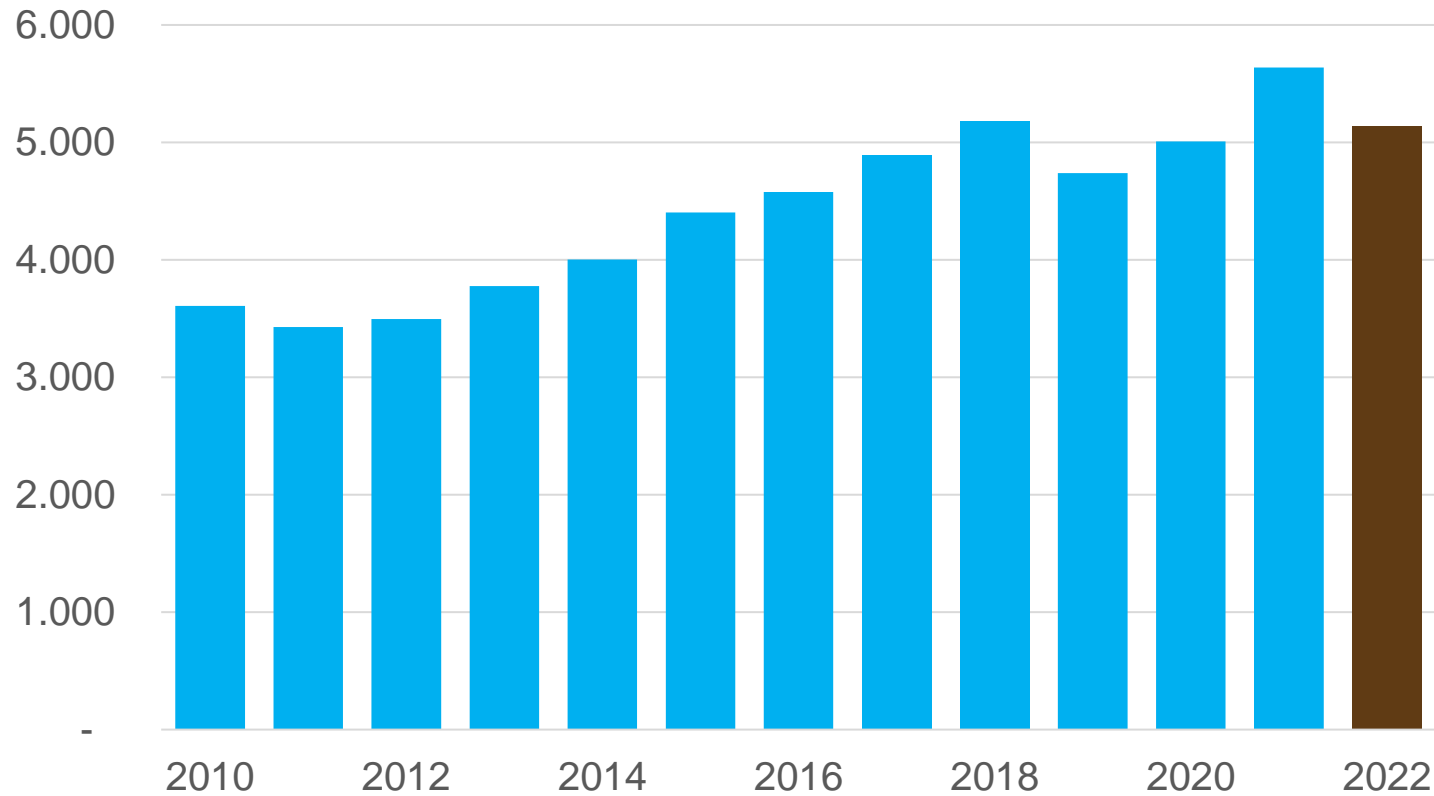
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SOFTBOARD



Softboard Production in EU27+EFTA

(1,000 m³)



2022: -8.9%
2021: +12.6%

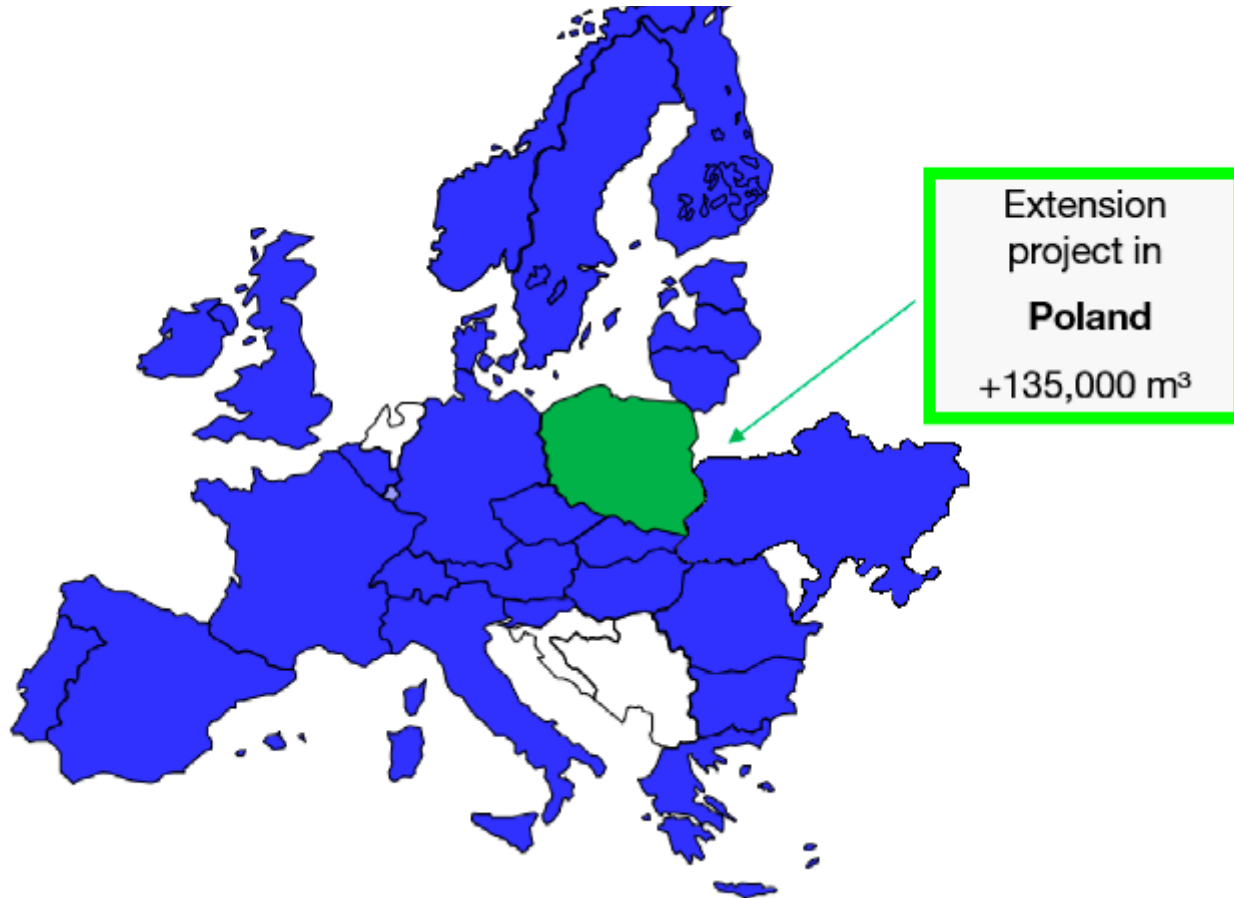
In 2022: 5.1 millions m³

EU-27 capacity: 6.9 million m³ (+2%)

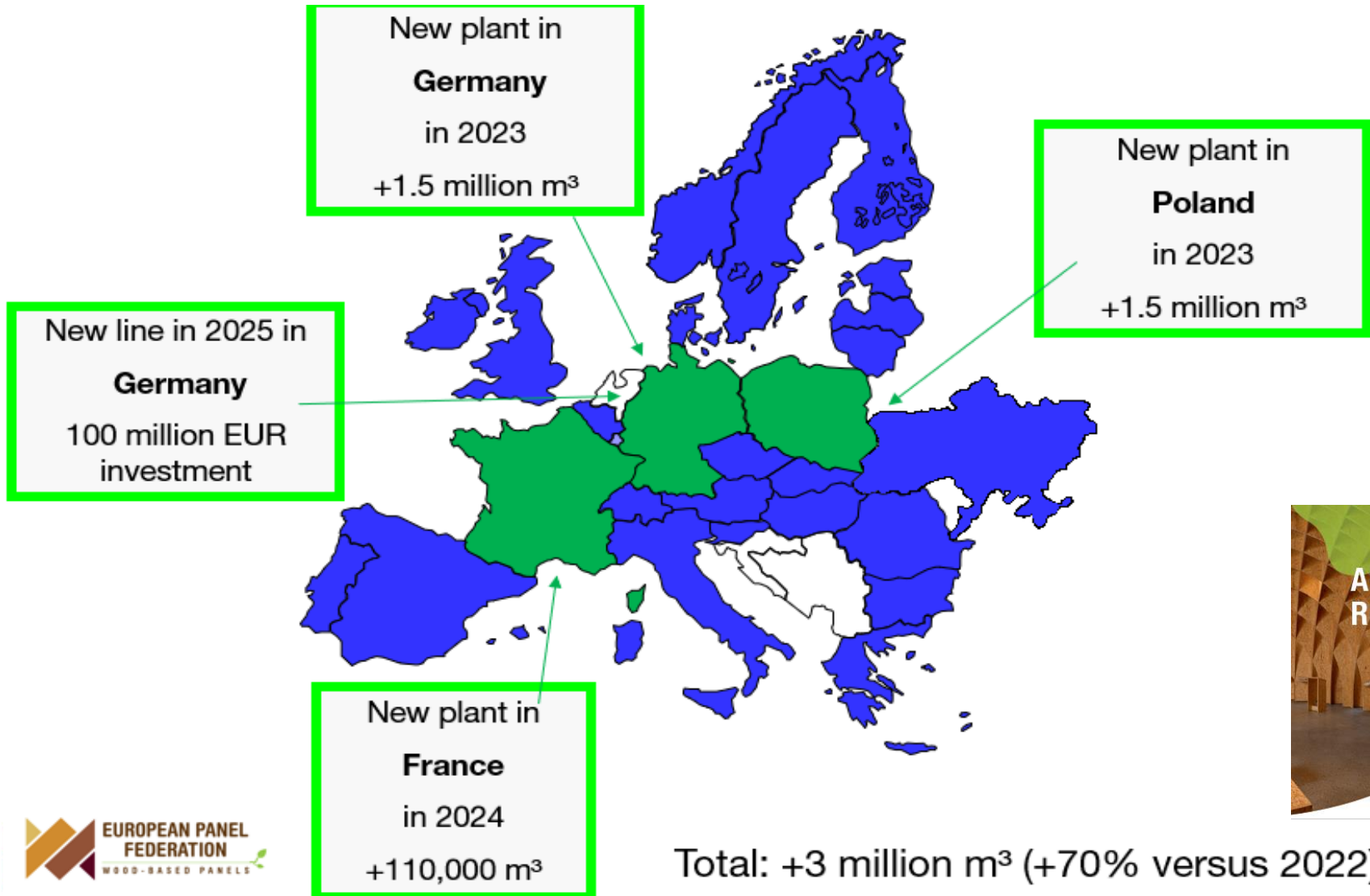


Softboard Announced Plant Extension in 2022

+2%



Softboard Announced New Capacities in >2023 +70% !!



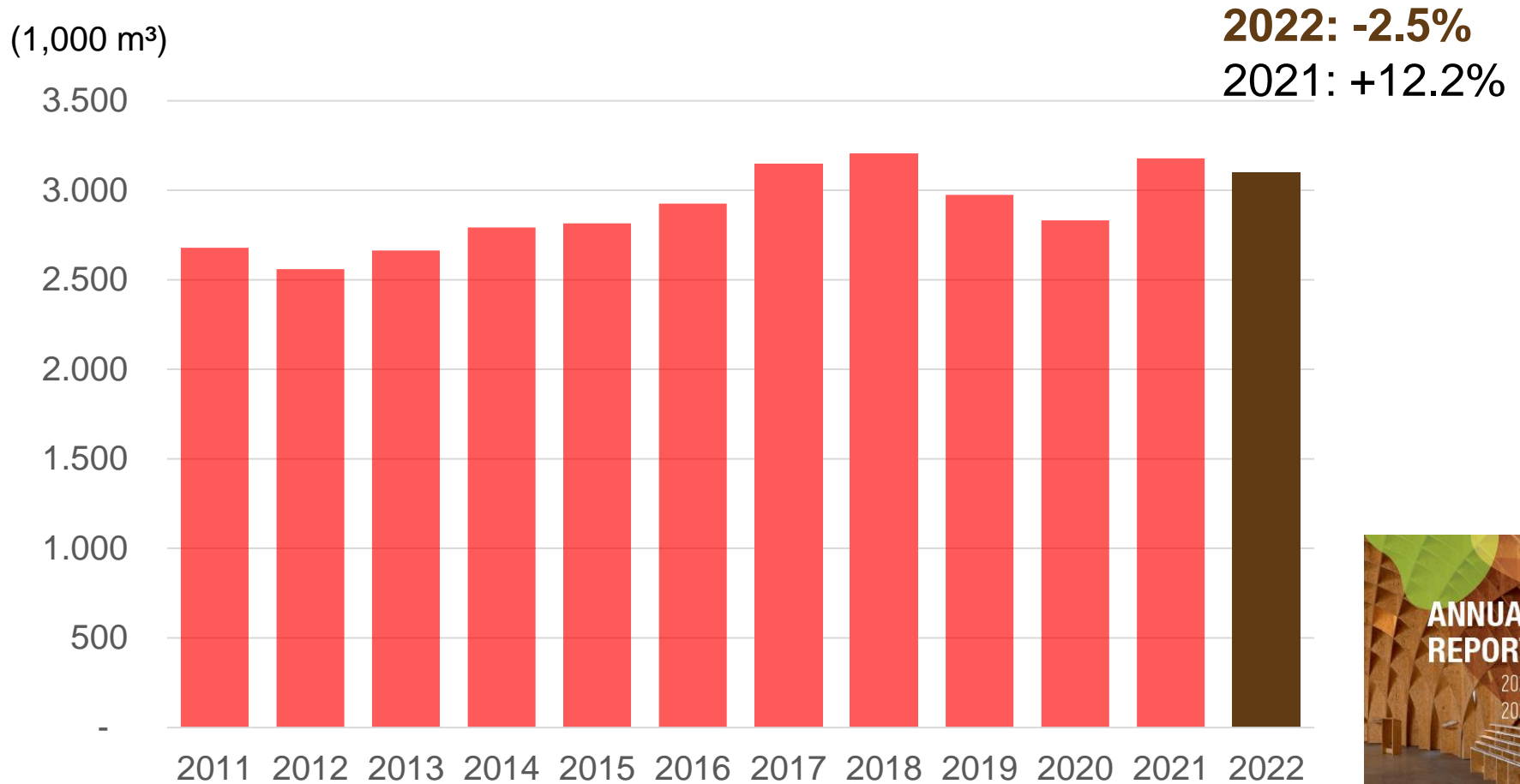


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PLYWOOD



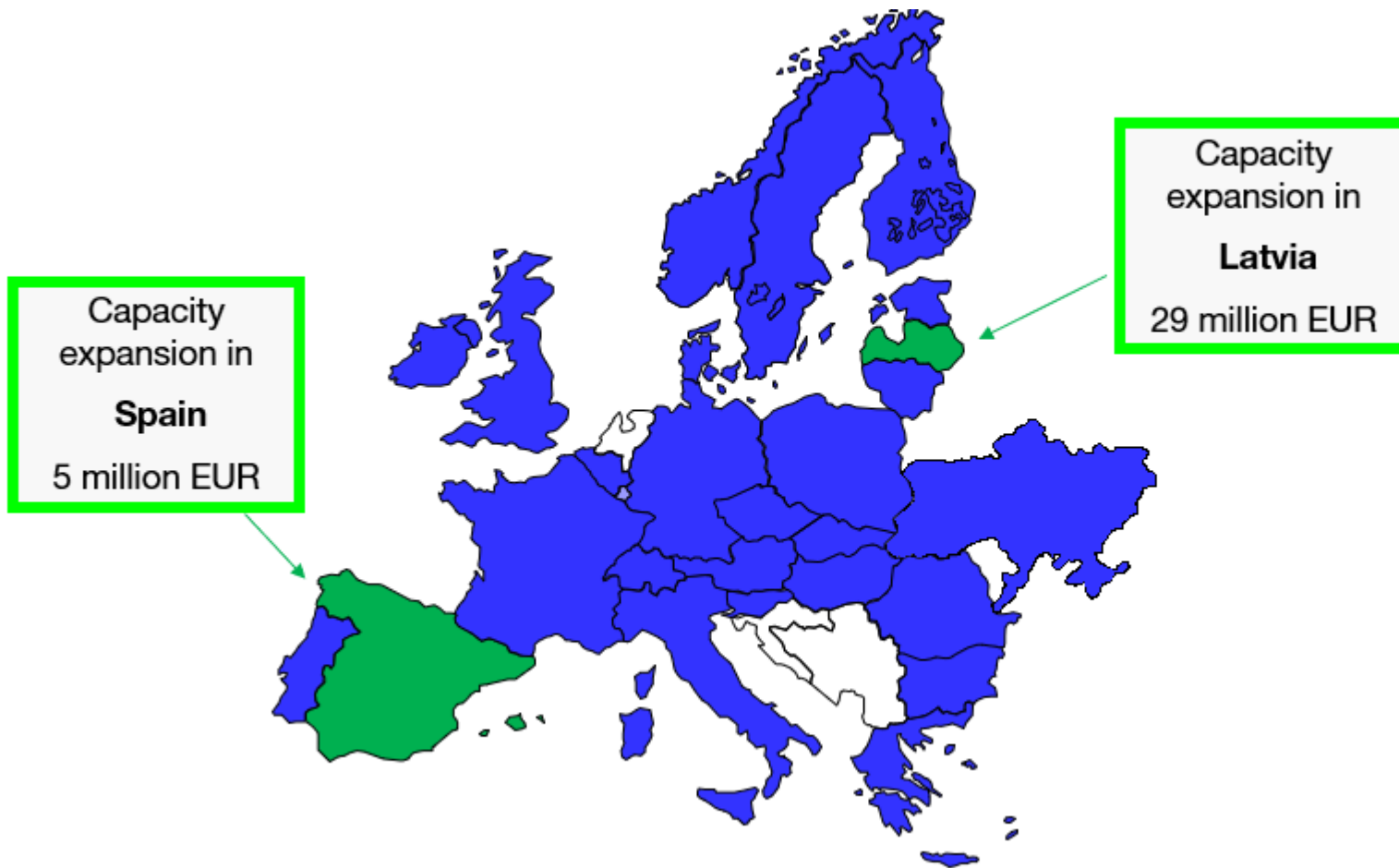
Plywood Production in EU-27



In 2022: 3.1 millions m³



Plywood Announced Capacity Expansion in 2023 and beyond



There are several projects by European plywood producers to replace Russian birch plywood

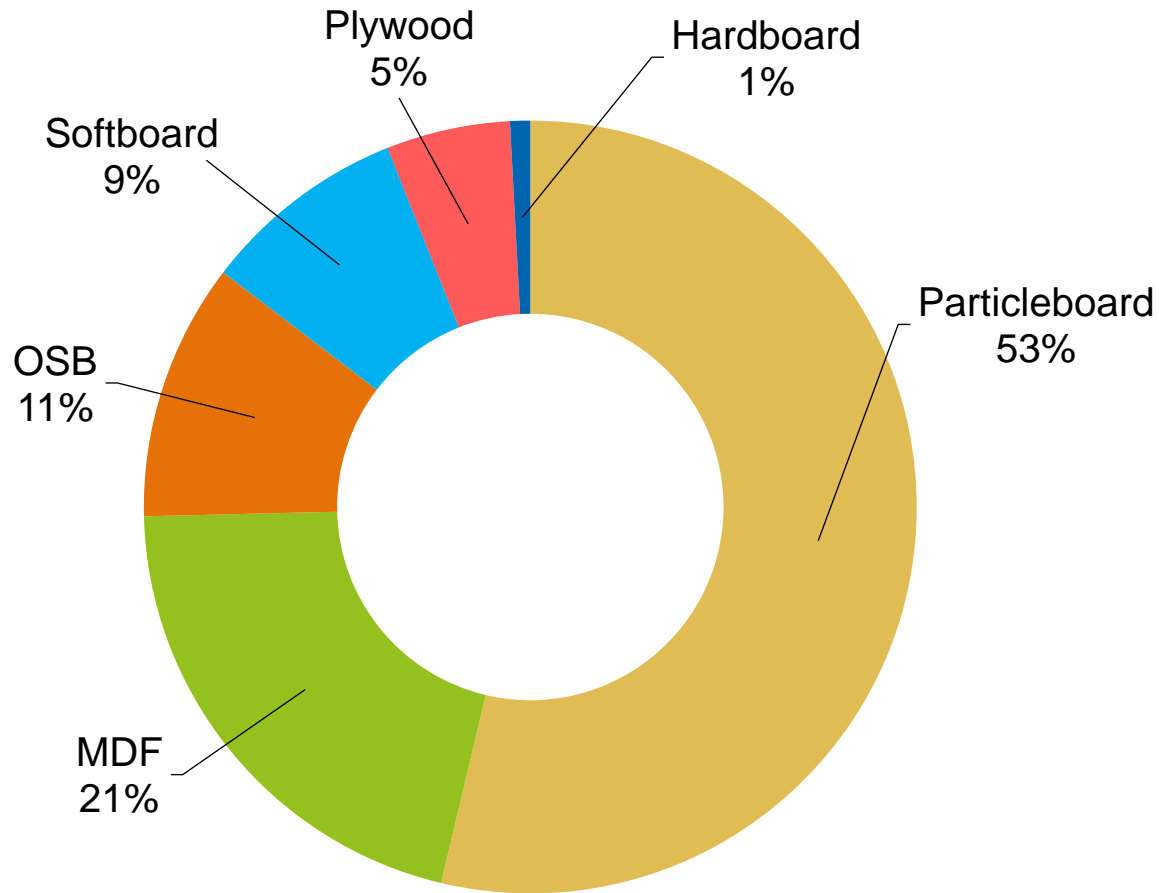


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SUMMARY



Share of production per type in EU27+UK+EFTA, 2022



Stable structure compared to 2021



Summary 2022

Production (million m ³)	Countries	2022	2021	22/21	22/19
Particleboard	EU27+UK+EFTA	32.1	34.5	-6.9%	0.0%
MDF	EU27+UK+EFTA	12.5	13.8	-9.3%	-3.6%
OSB	EU27+UK+EFTA	6.4	7.2	-10.7%	-4.5%
Hardboard	EU27+EFTA	0.5	0.5	-4.4%	-2.2%
Softboard	EU27+EFTA	5.1	5.6	-8.9%	8.4%
Plywood	EU27	3.1	3.2	-2.5%	4.1%
Total Wood-Based Panels		59.8	64.8	-7.8%	-0.4%

Output dropped close to pre-pandemic levels in 2022





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ADVOCACY STRATEGIC DIRECTIONS 5 Highlights



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Highlight 1

New European Bauhaus

5SD - Role Model Industry



EPF & Wood4Bauhaus Alliance I

Recap 2020 - 2022

- **Sept 2020:** President von der Leyen calls for use of wood to decarbonise the built environment (carbon source -> sink)
- February 2021: EPF and Innovawood form Wood4Bauhaus Alliance as a community of industry, research and trade unions
- April 2021: 1200 delegates attend Wood4Bauhaus online conference calling to “Reforest our planet, retimber our cities”.
- June 2022: InnoRenew CoE hosts W4B side event of NEB Festival
- **June 2022: President VDL quotes Pope Francis’ desire for greater access to nature in cities at NEB event in the Vatican**

➔ **Project continuing to deliver on early promise**

Brussels 9 June 2022



Source: PAS

Source: EPF

Press release

**Catholic Church and EU Commission
President back using more wood in the
built environment**

EPF & Wood4Bauhaus Alliance

Latest News 2023

- **W4B a role model Alliance in NEB Progress Report**

- Alliance highlighted in Executive Summary as model open platform in construction industry



- **W4B partner associated with host of NEBAcademy**

- University of Primorska selected as host hub
- Location also for W4B partner InnoRenew CoE
- W4B to focus on biotic materials module
- Skills are critical to Role Model Industry



- **NEB is focal point of EPF AGM in Santiago**

- Open Part dedicated to NEB focus on Iberia
- Making NEB a transformative project
- Alliance database to receive report

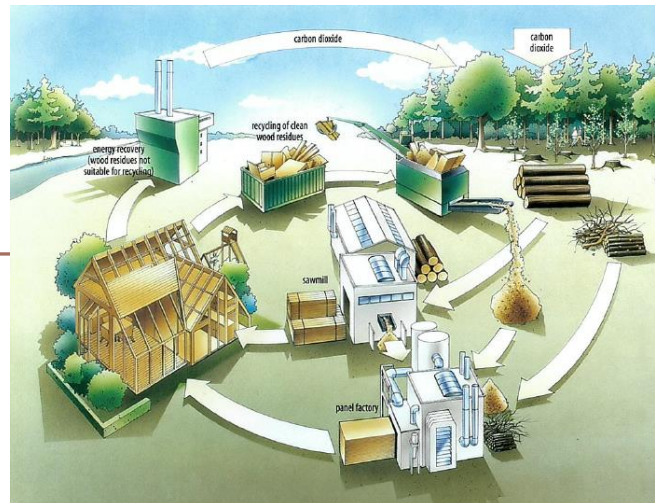




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Highlight 2

Cascade in legislation (RED III) (5SD - Climate)



3 positive changes in RED III

- 1) Cascade in legislation for the first time** - woody biomass to be used according to its highest economic and environmental added value (according to previous EC guidelines on good practice)
- 2) Subsidies restricted** - Financial support will be banned for energy produced through the use of saw logs, veneer logs, industrial grade roundwood, and stumps and roots
- 3) Sustainability criteria increased** – will apply to smaller installations (equal or above 7.5 MW) rather than the 20 MW threshold under the current directive

- **Breakthrough for wood-based panels (cascade use)**
- **Bioenergy also see this as a win (Armageddon averted)**



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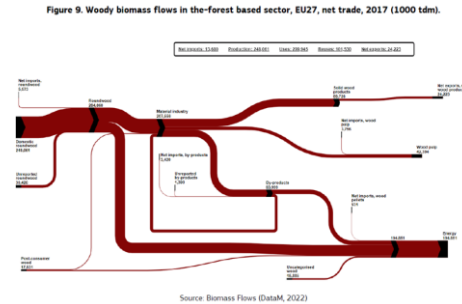
Highlight 3

Material Use of Wood 45% -> 60%) (5SD – Wood Availability)



Material use of wood must go up!

- **How much wood is there?**
 - 500 million m³ harvested in 2021 in EU-27 (Eurostat)
- **What is it used for?**
 - 27% for wooden products
 - 13% for paper and pulp
 - 60% for energy
- **Is it enough?**
 - Yes if we a) use it better (cascade) and b) plant trees (mobilise)
 - No, if we keep “burning the book of life before we have studied it....”



➔ **EPF calls for material use to rise from 45% to > 60%**

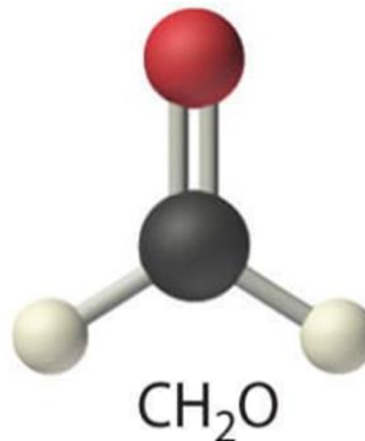


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Highlight 4

Formaldehyde

5SD – Regulation (and Harmonisation)



Formaldehyde - Restriction Finalised

- **Ceiling (E1 Compulsory) and EU low emission level (New Standard) targets for EPF since 2015!**
- REACH (Registration, Evaluation, Authorisation and restriction of Chemicals) pathway. Long but effective
- Approved restriction proposal (**0.062 mg/m³ for wood-based articles**) in approval process.
- Final restriction to be published in OJEU and transition periods start (3 years for articles / 4 years for vehicles)
- **Expected June-July 2023 (+ 3 years transition)**

➔ **A new standard will be introduced with a ceiling on open ended emissions bring harmony to the EU-27**



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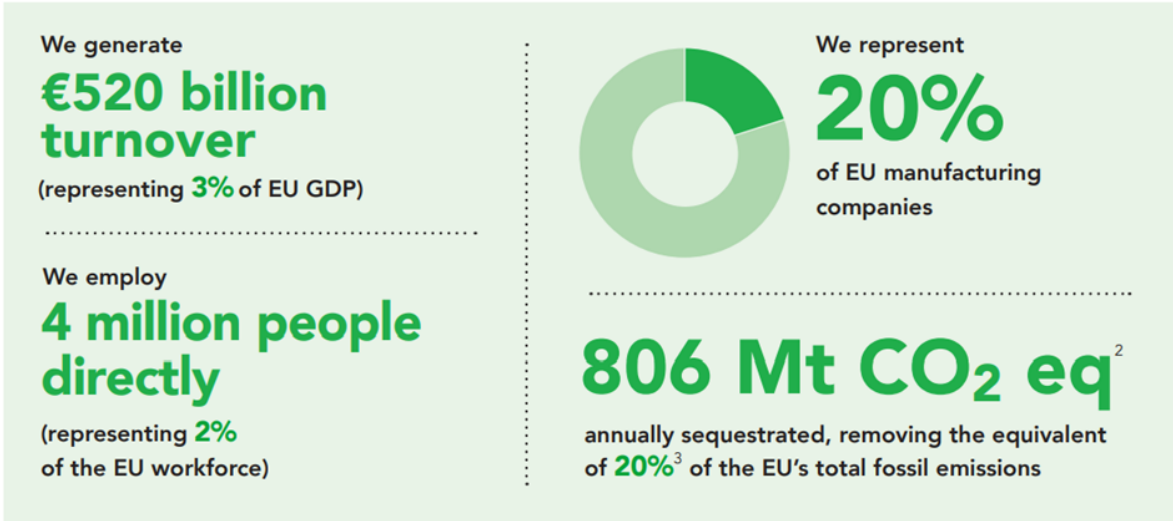
Highlight 5

Advocacy 2024: Coalition for Circular Choices

5SD – Role Model Industry



Advocacy 2024-2029 – Coalition



CIRCULAR CHOICES FOR A COMPETITIVE EU BIOECONOMY
 Growing a circular future
 Executive summary

- Coalition wood, paper and fibre
- Downstream led, upstream supported
- Policy recommendations to reach 30% contribution



April-June 2023 (selected only)

- ❑ Mrs E. Werner, Deputy S-G, SecGen EU Commission
- ❑ Mrs L. Graff, Advisor to the CLIMA Deputy D-G, EC
- ❑ NN, Head of key Working Group, EPP, EU Parliament





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