A Global Perspective on Market Opportunities

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Food and Agriculture Organization of the United Nations

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Content

- UNECE/FAO Forestry and Timber Section
- The Forest Products Annual Market Review
  - Sawnwood markets
  - Housing markets
  - Value added wood products
  - Biorefinery
- Where are the opportunities?
- Conclusions

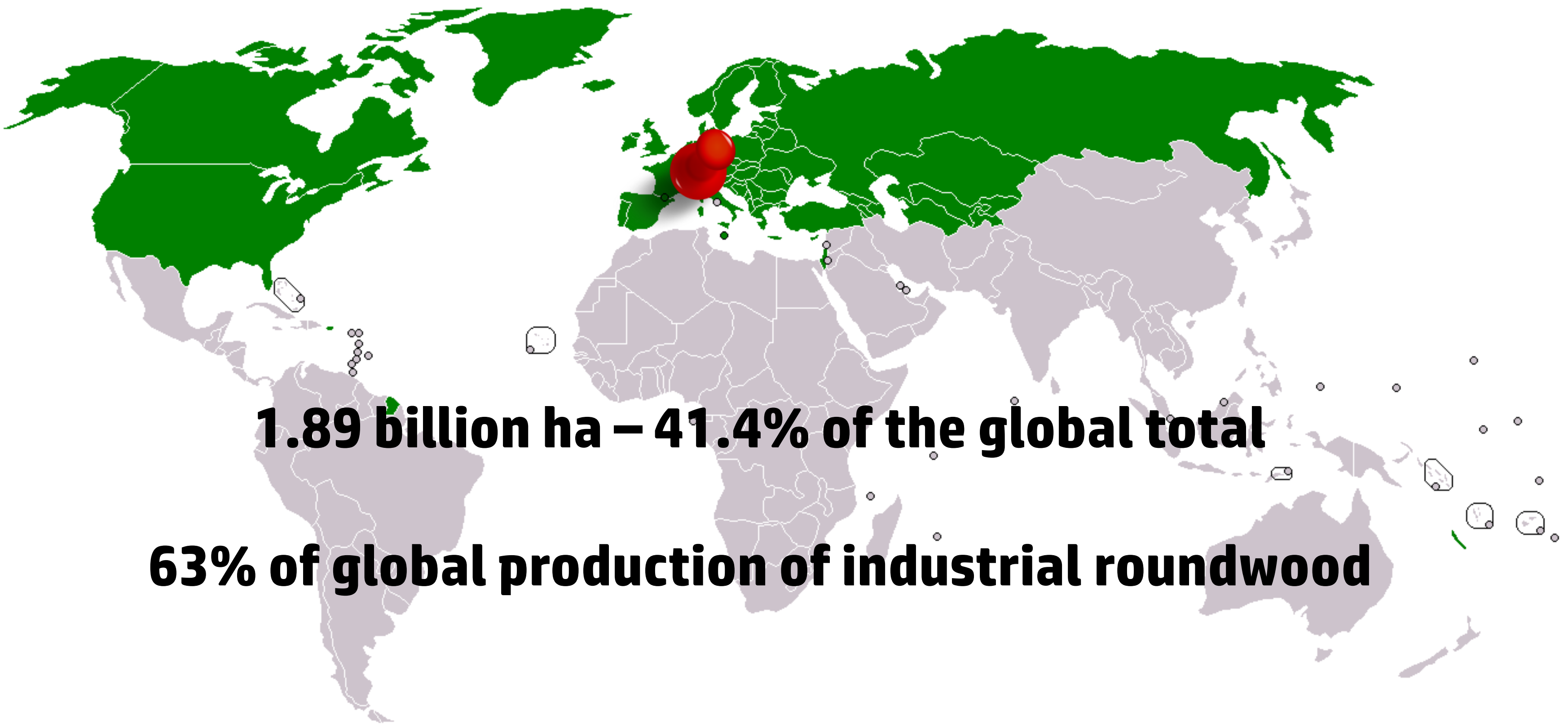
UNECE/FAO Forestry and Timber Section

1947

United Nations
Economic Commission for Europe

Food and Agriculture Organization of the United Nations

UNECE region



1.89 billion ha – 41.4% of the global total

63% of global production of industrial roundwood

Forestry and Timber Section

- **WA1** – data, monitoring and assessment
- **WA2** – policy dialogue and advice
- **WA3** – communication and outreach
- **WA4** – capacity building

Data, analysis, trends

Past: | Present: | Future:

Forest Resources Assessment

Joint Forest Sector Questionnaire

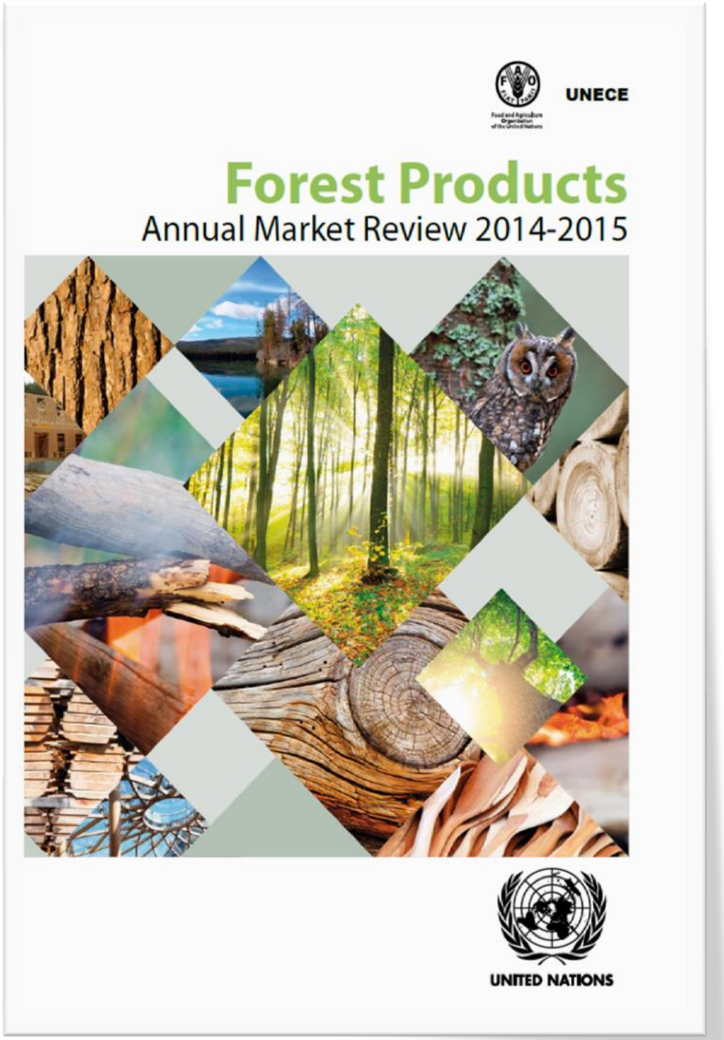
Forest Products Annual Market Review

Forecast Questionnaire

Country Market Statements

Forest Sector Outlook Studies

Forest Products Annual Market Review



- Comprehensive analysis of markets in the UNECE region
- A range of products from roundwood and primary processed products to value-added and innovative wood products
- Statistics and analysis
- An overview of policies, institutional forestland ownership and markets for wood energy, value-added wood products and housing
- The role of sustainable forest products internationally
- Drivers and trends in policies

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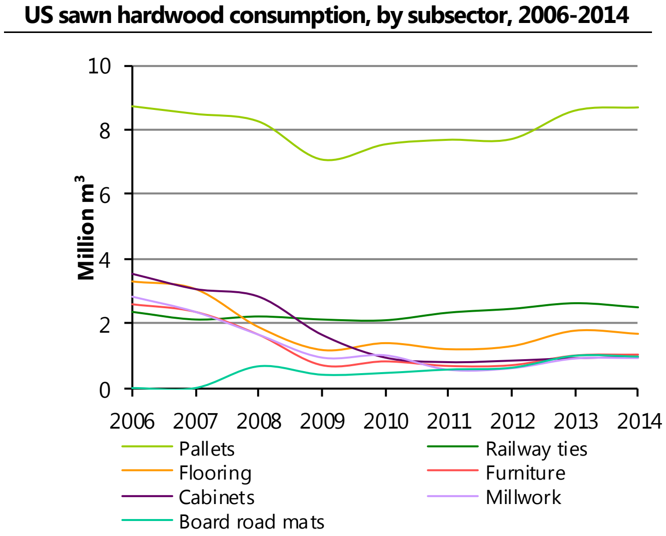
FPAMR 2015-2016 - chapters

Chapter 3 on a special topic

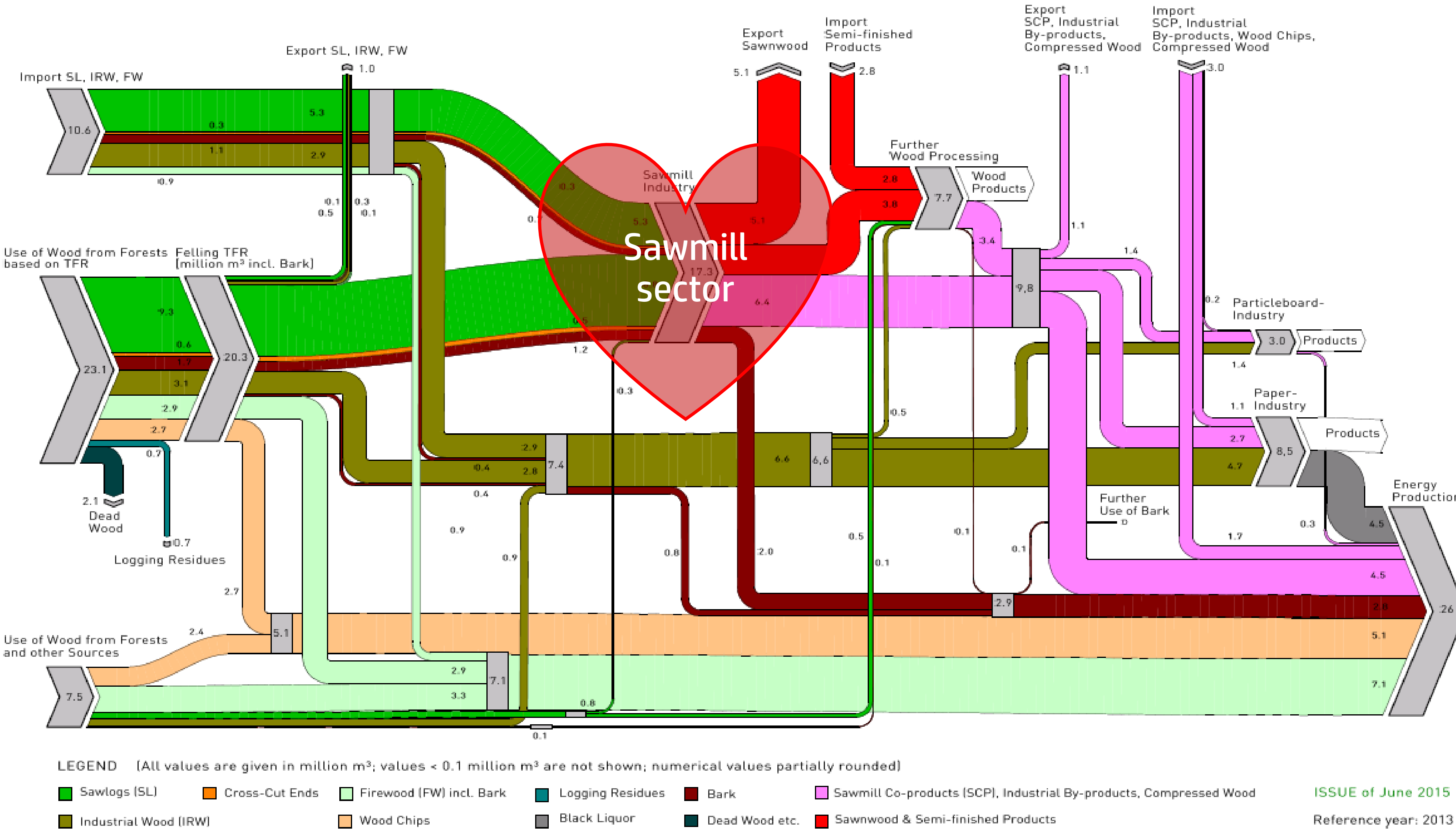
Global demand over 5.1 bil. units by 2017 (200 mil. m^3), with almost 10 bil. pallets In circulation!

1. Overview
2. Policies
3. Wooden pallet and packaging (2016)
4. Wood raw material markets
5. Sawn softwood markets
6. Sawn hardwood markets
7. Wood-based panel markets
8. Paper, paperboard and woodpulp markets
9. Wood energy markets
10. Value-added wood products markets
11. Housing and construction markets



Sawnwood

The role of sawmills



Sources: http://www.klimaaktiv.at/english/renewable_energy/woodflows_austria.html adapted from Kasimir Nemestothy

Sawnwood

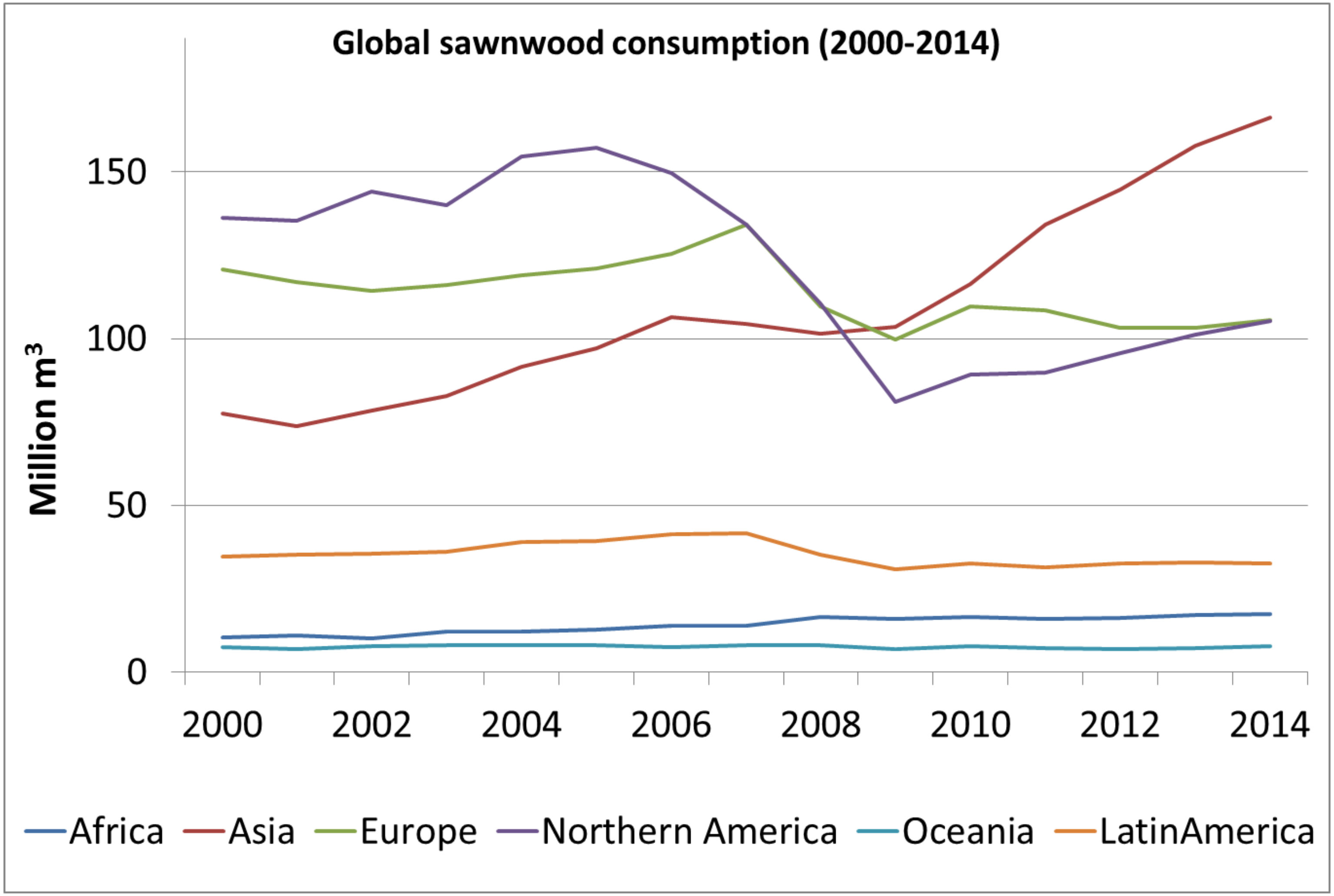
Apparent consumption of sawn softwood in the UNECE region, by subregion, 2013-2014

(thousand m^3)

	2013	2014	m3/ capita (2014)	Change (%) 2013-2014	Change (%) 2010-2014
Europe	84,233	86,526	0.140	2.7	-3.7
CIS	18,307	17,629	0.064	-3.7	19.8
North America	82,181	85,598	0.246	4.2	18.4
Total	184,721	189,753	0.152	2.7	7.3

Source: UNECE/FAO, 2015

Sawnwood

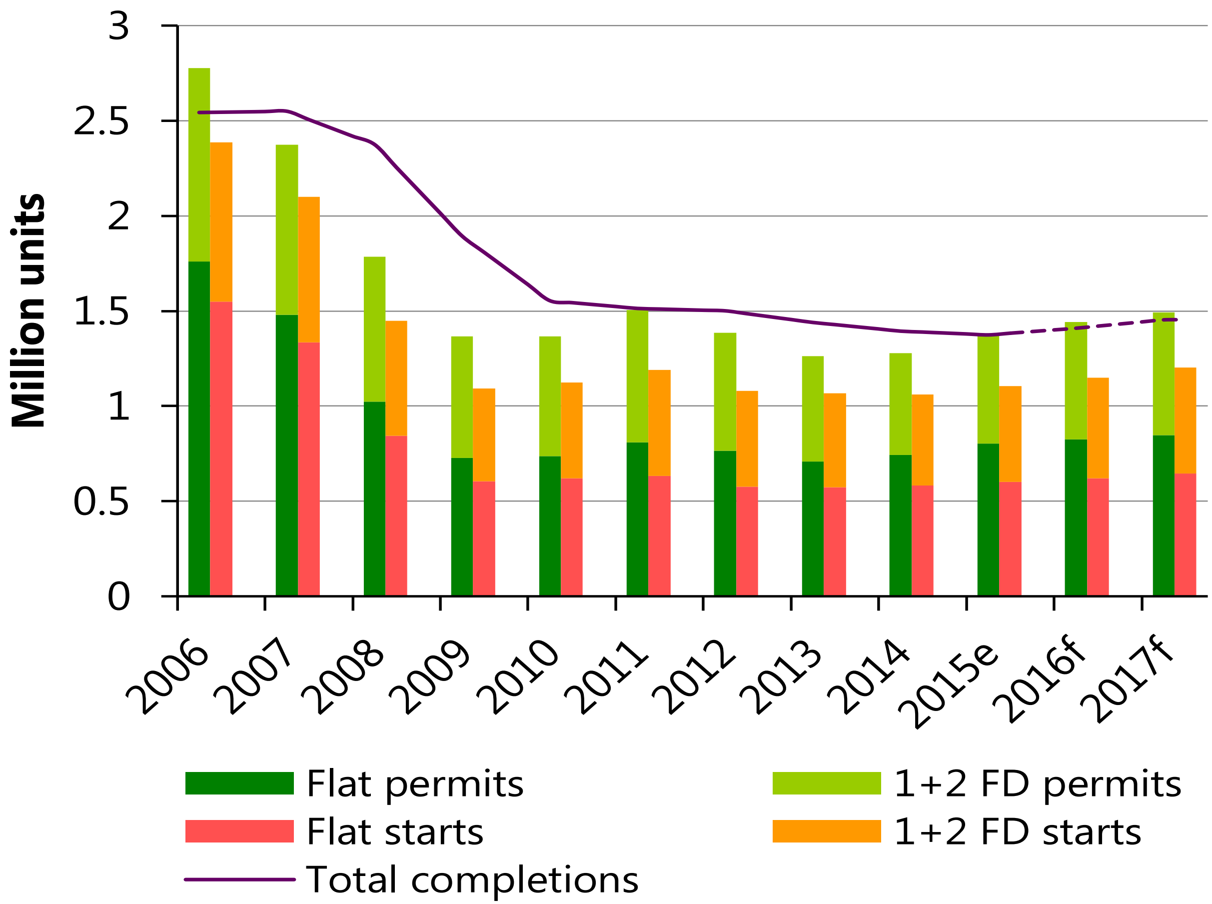


Source: FAOstat

Housing and construction

Housing and construction

Building permits, housing starts and completions, Euroconstruct region, 2006-2017



Notes: FD = family dwellings; e =estimate; f = forecast.
Source: Euroconstruct, 2015.

Housing and construction

Top five Euroconstruct region countries for new construction and renovation expenditure, 2014-2017

($ billion)

New construction					*Renovation*				
Country	*2014*	*2015e*	*2016f*	*2017f*	*Country*	*2014*	*2015e*	*2016f*	*2017f*
Germany	52.1	54.4	56.0	57.4	Germany	126.1	126.1	125.5	124.8
France	49.4	48.4	51.8	55.2	Italy	72.0	72.2	72.8	73.8
UK	44.4	47.5	48.4	50.1	France	58.2	58.7	59.3	60.3
Italy	16.5	17.3	19.0	21.0	UK	41.9	43.4	44.1	44.4
Spain	17.8	16.2	16.3	16.5	Spain	14.8	15.0	15.5	16.1

Notes: e = estimate. f = forecast.

Source: Euroconstruct, 2015.

UK (2014), Gross value-added in the forestry sector (ISIC Rev.4 Division 02, 16 and 17):

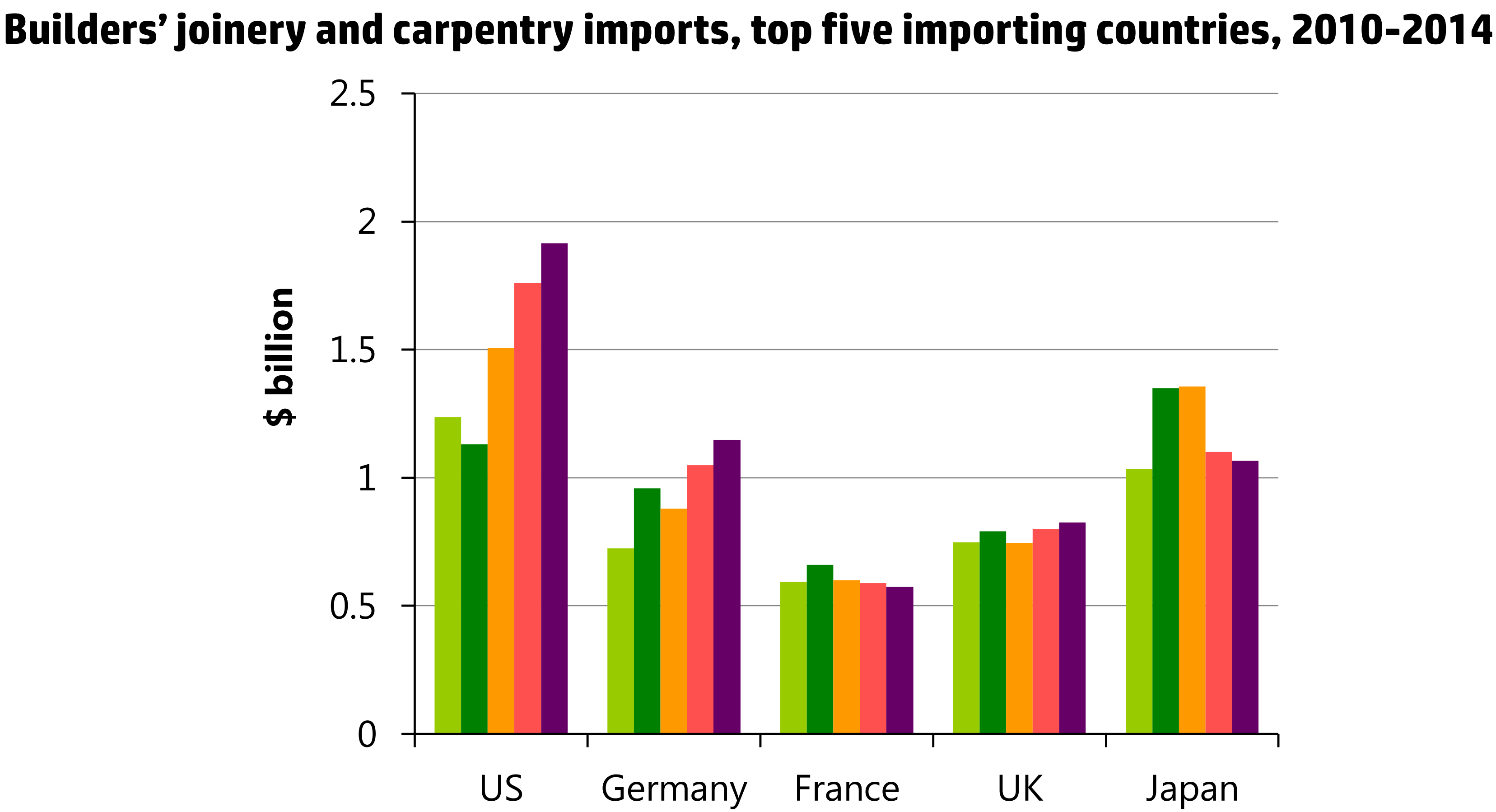
9.5 billion $

Source: FAO 2014 (Contribution of the Forestry Sector to National Economies, 1990-2011)

Value-added wood products

- builders’ joinery and carpentry products (BJCs)
- profiled wood
- cross-laminated timber (CLT).

Value-added wood products



Sources: Eurostat, 2015; Trade Statistics of Japan, 2015; US International Trade Commission, 2015.

Value-added wood products

TABLE 10.3.1

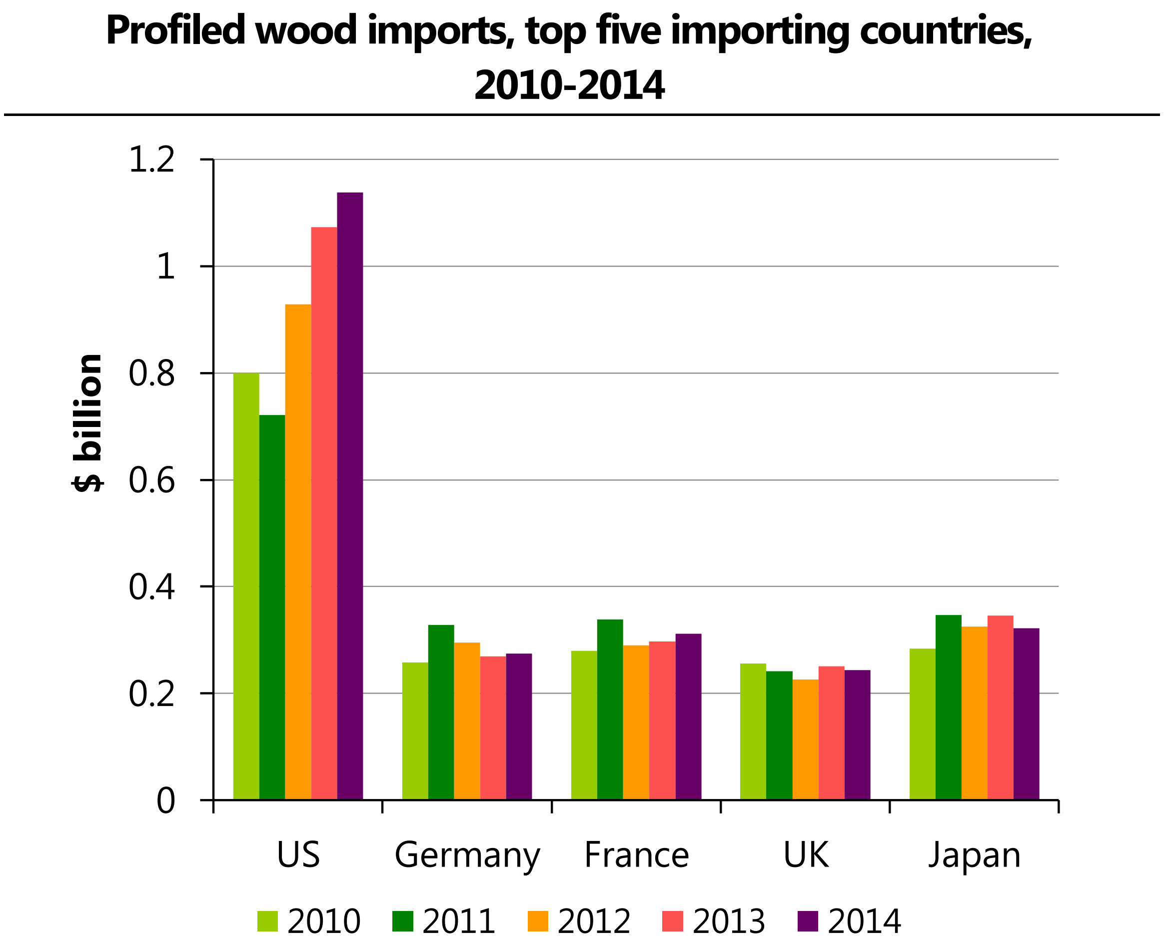
Builders' joinery and carpentry imports, top five importing countries, 2013-2014

(values in billion dollars and market share in percentage)

	US		*Germany*		*France*		*UK*		*Japan*	
	2013	*2014*	*2013*	*2014*	*2013*	*2014*	*2013*	*2014*	*2013*	*2014*
Total value of imports	1.8	1.9	1.0	1.1	0.6	0.6	0.8	0.8	1.1	1.1
Origin (%)										
Asia	34.4	33.7	8.6	8.1	9.9	9.8	34.4	36.8	88.8	91.6
North America	47.0	47.3	0.2	0.2	0.7	0.5	1.8	1.9	3.0	2.9
Europe	4.8	5.0	90.8	91.0	87.2	87.7	59.6	57.2	5.5	3.6
Latin America	13.6	13.6	0.0	0.0	1.3	1.0	2.8	2.8	0.0	0.0
Others	0.2	0.4	0.4	0.6	0.9	1.1	1.5	1.3	2.6	1.9

Sources: Eurostat, 2015; Trade Statistics of Japan, 2015; US International Trade Commission, 2015.

Value-added wood products



Sources: Eurostat, 2015; Trade Statistics of Japan, 2015; US International Trade Commission, 2015.

Value-added wood products

TABLE 10.3.2

Profiled wood imports, top five importing countries, 2013-2014

(values in billion dollars and market shares in percentage)

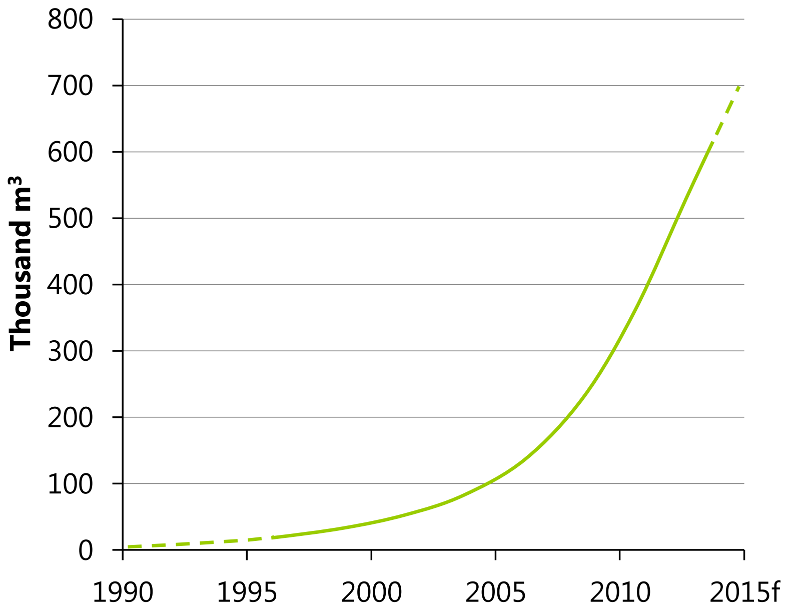
	US		*Germany*		*France*		*UK*		*Japan*	
	2013	*2014*	*2013*	*2014*	*2013*	*2014*	*2013*	*2014*	*2013*	*2014*
Total value of imports	1.1	1.1	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.3
Origin (%)										
Asia	20.2	20.3	19.9	22.0	10.5	9.3	59.3	55.8	77.7	76.4
North America	9.9	10.9	1.3	1.1	0.2	0.2	3.7	4.4	7.2	7.1
Europe	3.1	3.1	72.2	71.0	69.6	69.7	35.9	38.1	9.5	10.2
Latin America	64.9	64.4	3.9	3.3	18.5	19.5	1.0	1.5	4.3	5.0
Others	1.9	1.3	2.6	2.6	1.2	1.3	0.1	0.2	1.3	1.3

Sources: Eurostat, 2015; Trade Statistics of Japan, 2015; US International Trade Commission, 2015.

Value-added wood products

GRAPH 10.5.4

Global production of CLT, 1990-2015

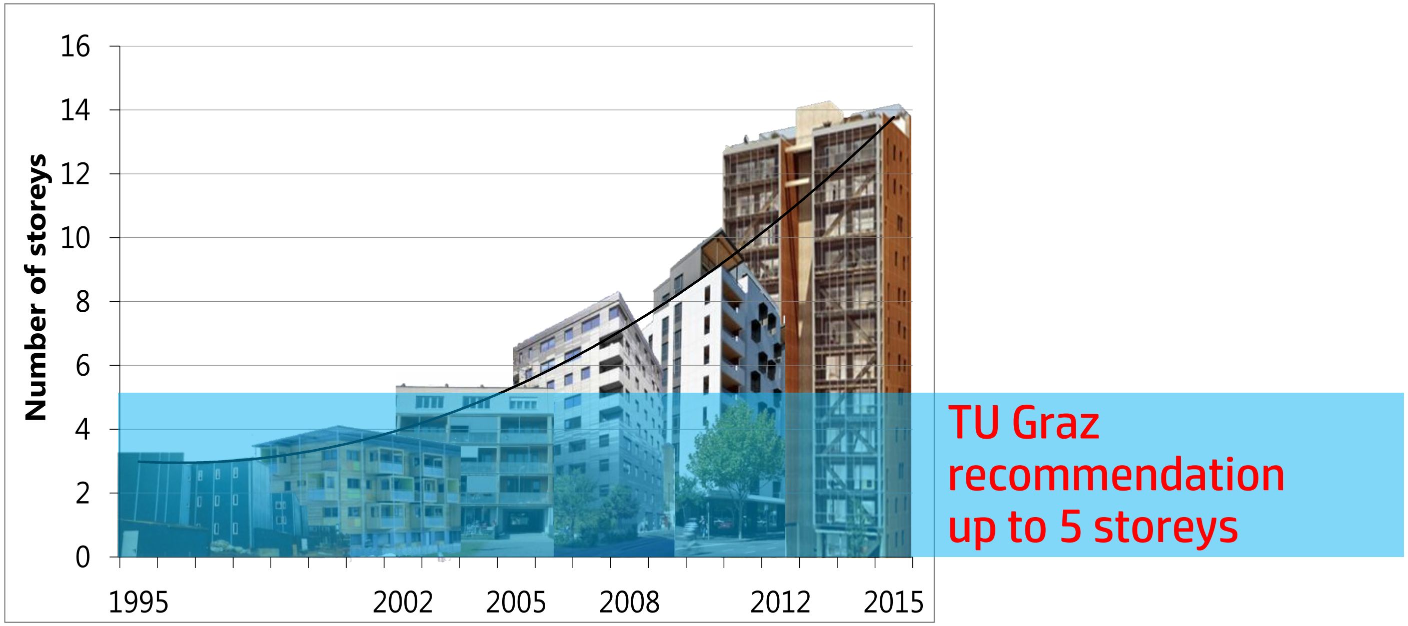


Note: f = forecast.
Source: Institute of Timber Engineering and Wood Technology, Graz University of Technology, 2015.

Value-added wood products

GRAPH 10.5.6

Number of storeys of CLT residential and office buildings, 1995-2015



Note: *1 = Aichach, Germany; *2 = Judenburg, Austria; *3 = Vienna, Austria; *4 = London, UK; *5 = Melbourne, Australia; *6 = Bergen, Norway.

Source: Institute of Timber Engineering and Wood Technology, Graz University of Technology, 2015.

Ongoing: Product Optimisation and Standardisation

Approvals and Standardisation

1st STEP
National Approvals

Austria

France

Germany

Russia

Spain

2nd STEP
ETAs

3rd STEP
Standardisation

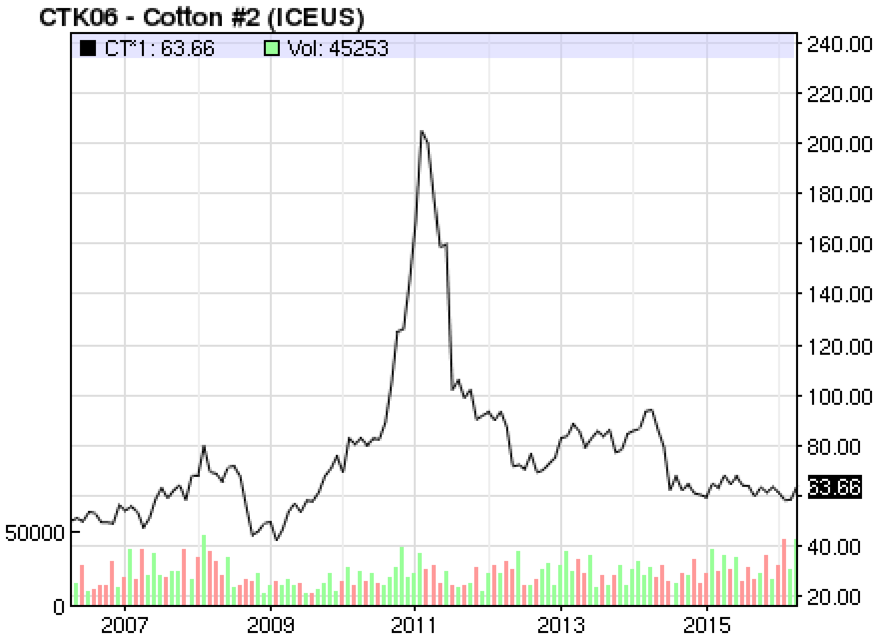
ISO 165

prEN 16351

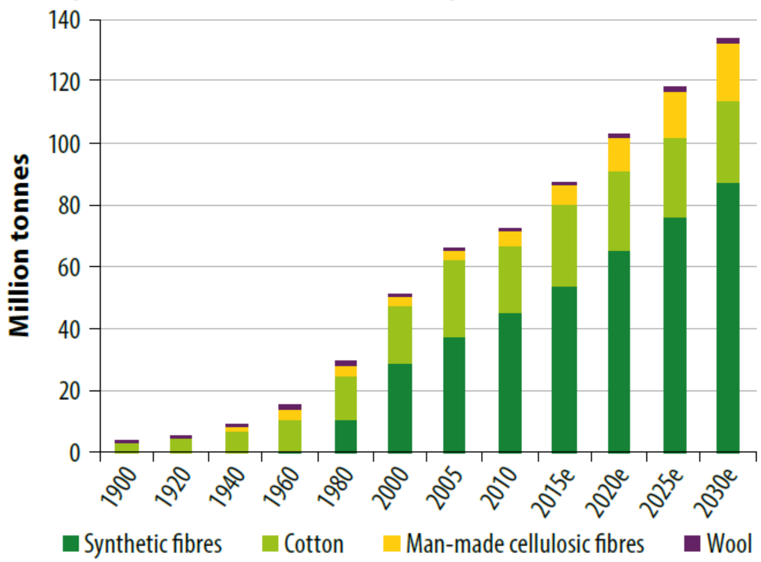
EN 1995

Source: Gerhard Schickhofer (2015)

Biorefinery

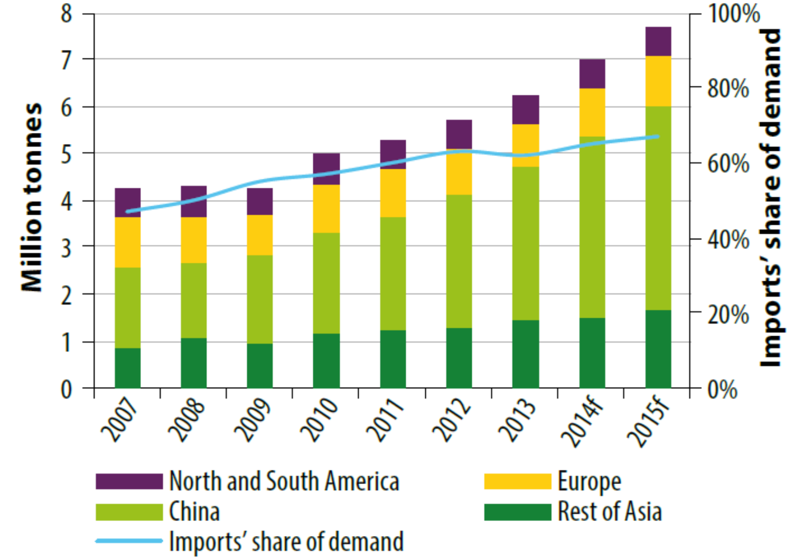


Development of filament and fibre consumption, 1900-2030



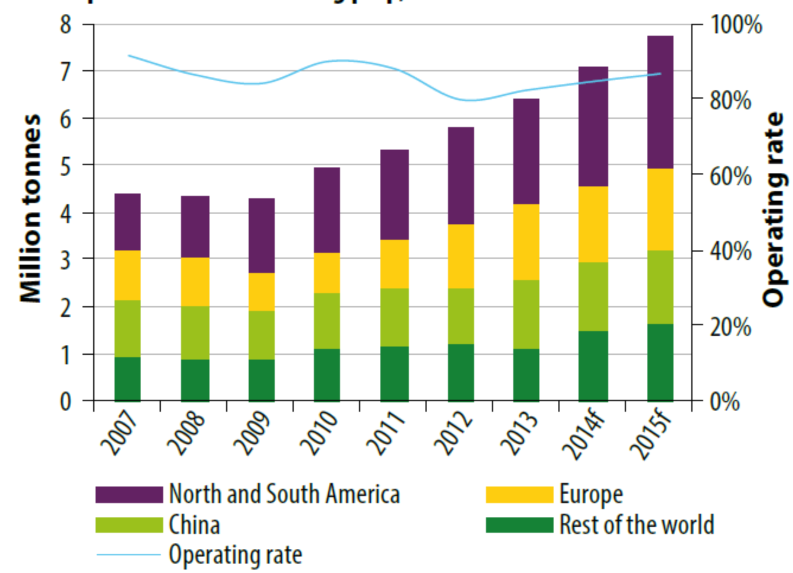
Notes: e = future estimates and based on assumption that cotton is at peak production, i.e. reaches maximum potential for cultivation.
Source: Hämmerle, 2011.

Global demand for dissolving pulp, 2007-2015



Note: f = forecast
Source: RISI, 2014.

Global production of dissolving pulp, 2007-2015



Note: f = forecast
Source: RISI, 2014.

Where are the opportunities?

- Construction
- Climate change – COP 21
- 2030 Agenda for Sustainable Development
- Green/Biobased/Circular Economy

Conclusions

- **Wood is local, THE global opportunity does not exist!**
- **The forest sector needs to be proactive at any level in linking up to policy developments *outside* the sector!**
- **The forest sector has great messages to tell and great products to sell!**

Thank you for your attention!

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