



WOOD RESOURCES INTERNATIONAL

Trade of logs, lumber in Europe will change dramatically in the coming years: report

Trade of logs and lumber in Europe will change dramatically in the coming years as timber harvests in Central Europe decline and the sanctions against Russia result in a plunge in forest products imports.

By Wood Resources International LLC

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Central European roundwood markets are at a turning point. Over the past four years, forests have suffered extensive damage from a spruce bark beetle outbreak in much of the region, leading to temporary increases in harvesting, lumber production, and log exportation. The infestation in the Czech Republic and Germany has resulted in record-high timber harvests over the past few years. As a result, from 2017 to 2021, annual roundwood removals were up 15 per cent and at an unsustainable level. The amount of timber damaged by bark beetle peaked in 2019, falling by five per cent in 2020 and 24 per cent in 2021. The volume of damaged wood is expected to fall at 10-20 per cent per year, reverting to close to long-term average levels by 2025.

The new *Focus Report, Central Europe Roundwood Markets – Softwood* supply outlook provides oversight on how Central European timber supply will evolve through 2030. It also covers implications for forest industries in the region and the likely impact on global softwood log and lumber markets.

The surge in wood supply has been absorbed by domestic sawmills (~60%) and increased export of sawlogs and pulplogs (~40%). Additional wood supply at competitive prices has helped the Central European sawmill industry expand, taking advantage of strong lumber markets in Europe and globally in 2020-21. Also, increased sawdust and woodchip supplies from sawmills have enabled wood pellets and panels production growth.

With the timber harvests having peaked, exporters and consumers of logs will need to adjust to a reduced supply of softwood logs in the coming years. Central European lumber production will decline from current record levels, and the region may shift from being a net log exporter to becoming a net importer



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again. Furthermore, Russia's invasion of Ukraine has resulted in sanctions in the importation of practically all forest products from Russia and Belarus to Europe, which included almost six million m³ of logs and nine million m³ of softwood lumber in 2021.

The reduced timber supply in Central Europe and Russia's invasion of Ukraine will impact European industry production, trade flows, and forest products prices for many years to come. Sawmills will need to renew focus on conversion yield and small-diameter sawing capabilities, fibre industries should consider alternative species and wood fibre sources, and forest owners would benefit from more intensive forest management. In addition, international markets will need to adjust to the reduced supply of European softwood log and lumber exports.

The excerpt above is from the just-released Focus Report "Central Europe Softwood Supply – Constrained industry growth post-bark beetle" published by Wood Resources International LLC and O'Kelly Acumen. For more information about the study or to inquire about purchasing the 80-page report, please contact either Hakan Ekstrom (hakan@woodprices.com) or Glen O'Kelly (glen.okelly@okelly.se). In addition, a Table of Contents of the report is [available on our website](#).

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