PRESS RELEASE

Annual General Assembly of the European Organisation of the Sawmill Industry, EOS
Vienna, 4 June 2013

The European sawmilling sector continues facing challenging times. The market conditions have been challenging, apart from some exceptions, not really improving since the beginning of the first half of 2011.

This is the main message from the discussions on the sawn timber markets as held in the context of the EOS general assembly in Vienna on 4 June 2013, hosted by the Austrian Association of the Wood Industries.

Due to the effects of the general economic and financial crisis and the low level of construction activity, coupled with low consumer confidence and tight wood availability with high raw material costs, the sawmilling companies have been forced to start restructuring their operations. To add to the already otherwise tightened raw material availability, the industry has seen an intensified tendency by the foreign competitors to source more and more European hardwood and softwood logs to their operations.

Meanwhile, the industry has started to strengthen itself in terms of participating in the industrial policy formation. This has been deemed necessary due to the fact that the demand for woody biomass is becoming clearly more widespread within the society with EU's strengthened ambition to tackle the climate change and promote the use of biofuels and bioenergy. By the same token, wood working industry's long term promotion of low carbon footprint, sustainable timber construction solutions are gaining widespread acceptance within the policy makers. Indeed, our basic raw material – wood, coupled with innovative production techniques, allows the production of highly efficient products for e.g. energy efficient buildings and construction in general. As such, the use of wood is part of the solution by becoming a cornerstone of the EU policy to reducing greenhouse gas emissions strongly towards 2050.

To respond to the above mentioned political and market requirements, EOS has decided to strengthen its organization and enhance its operations. While EOS already is recognized on the EU political parquet, the members have realized that in order to be able to carry out its mandate efficiently, the EOS Secretariat in Brussels needs to enhance its operations so that it can more efficiently represent its member federations and sawmill industry.

Upcoming events:

- International Hardwood Conference, Brussels 18-20 September 2013
- EOS General Assembly and International Softwood Conference, Edinburgh 14-19 October 2013

For more information, please contact the EOS Secretary General, Mr. Kimmo Järvinen (Kimmo.Jarvinen@eos-oes.org , +32 492 69 79 98).

Annex: report on the market situation for sawn timber.

About EOS

The European Organisation of the Sawmill Industry (EOS) is a Brussels-based non-profit association representing the interests of the European sawmilling sector and the benefits of its products. The collective expertise of EOS's members provides a unique source of information both for and on the industry; coordinating essential exchanges of experience and knowledge among its members, the ability to provide technical assistance to legislators and to identify independent experts on specific issues.

Through its member countries EOS represents some 35 000 companies across Europe. Together they represent 75 % of the total European sawn wood output and a turnover of almost 37 billion EUR, and 15% of the overall woodworking and furniture industry in EU.

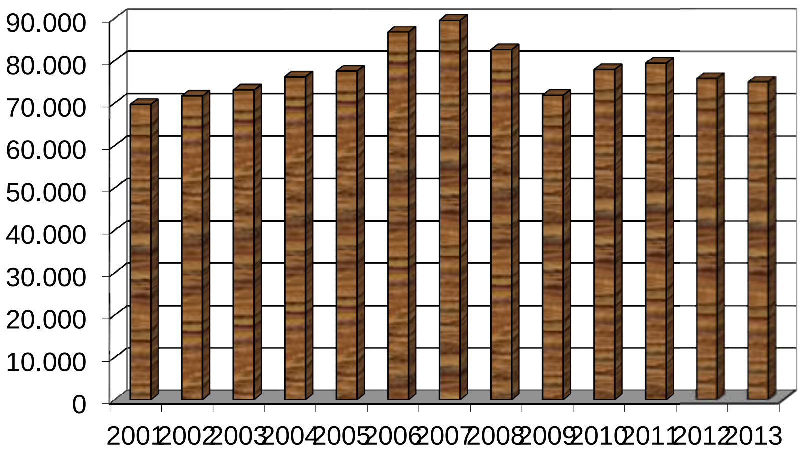
EOS General Assembly, Vienna 4 June 2013

REPORT ON MARKET DEVELOPMENTS

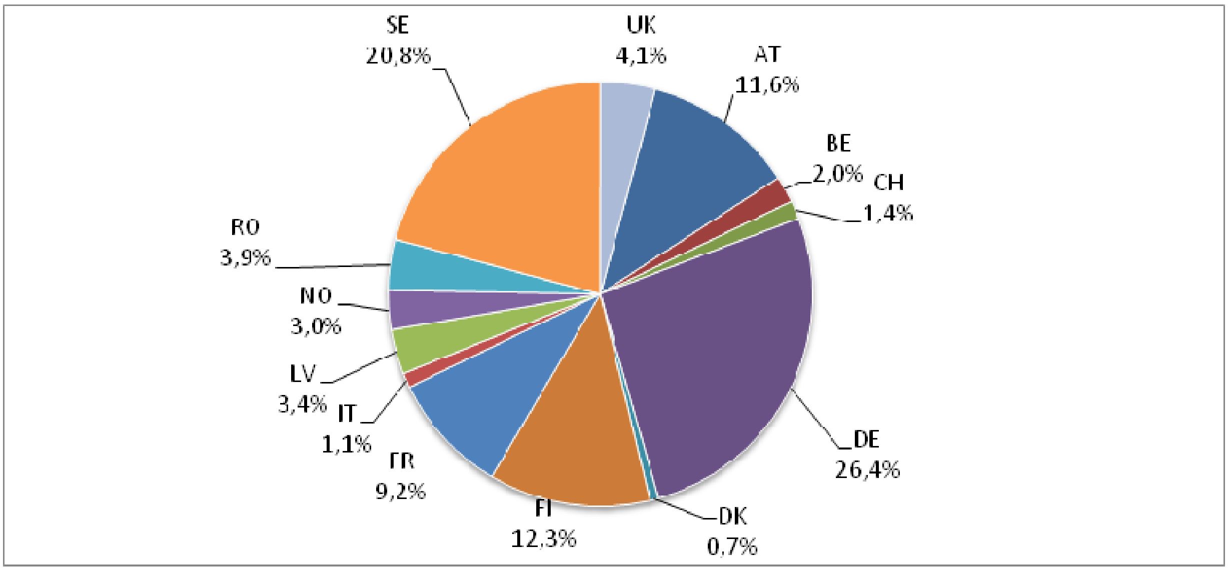
Sawn softwood

The recovery of sawn softwood production that started in 2011 did not fully continue in 2012. In the EOS member countries, total production of sawn softwood decreased by 4.5% reaching a volume of 75.7 million m³. The continuous pressure on raw material supply, high prices and an increased extra-EU exports of logs is hitting the sector badly. For 2013, it is foreseen that production would drop by 1.1%.

Developments in 2012 were not equal among the EOS member countries. Whereas Austria, Switzerland, Germany and Sweden reported decreases raging between 3,7 and 7.9%, Romania and Belgium reported a growth rate of 1.4% and 3.4% respectively.



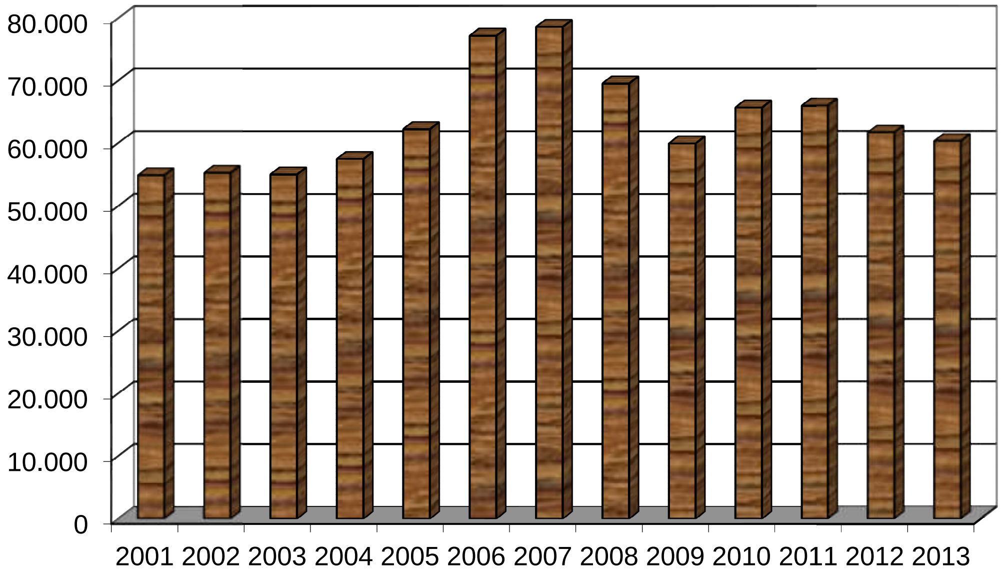
Sawn softwood production volumes in the EOS member countries 2001-2013 (000 m³)



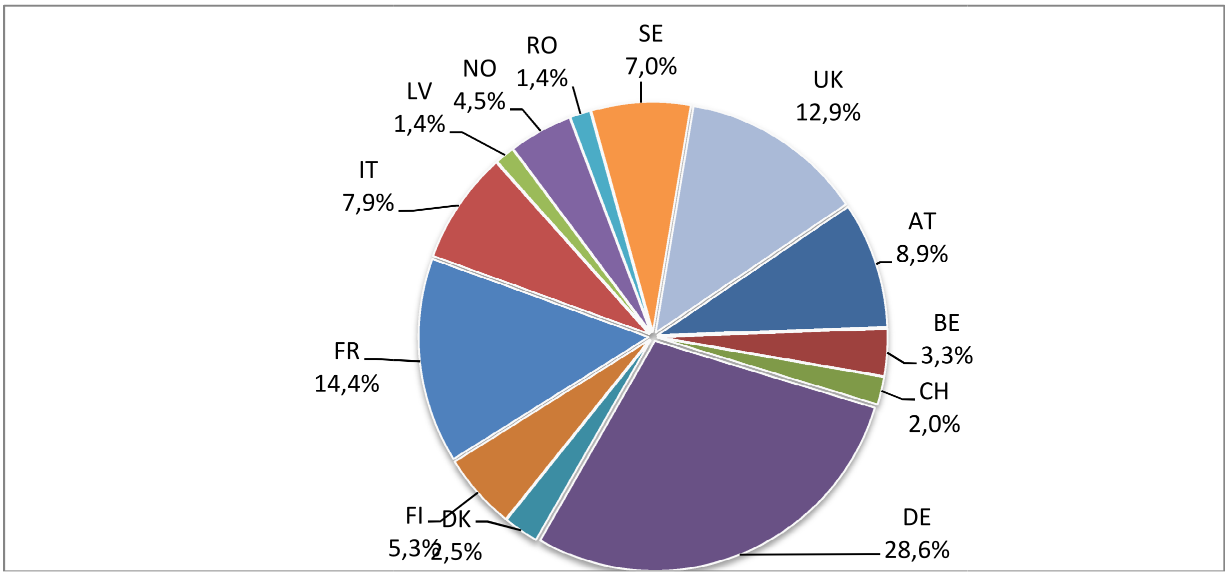
Relative share of EOS members in sawn softwood production

With a production of 20 mio m³ and a share of 26.4%, Germany remained by far the largest sawn softwood producer within the EOS community. Sweden ranks second with 15.8 mio m³ (20.8%). Finland has become the third producer again with 9.3 mio m³ (12.3%) slightly ahead of Austria with 8.7 mio m³ (11.6%). France remains the 5th largest producer within EOS.

The sawn softwood consumption development in the EOS member countries was in some cases even more negative than the development of production. In 2012, the total demand decreased by 6.5% to reach a volume of 61.6 mio m³. For 2013 another drop in consumption (-2.2%) is forecast, consistent with the continuing economic and financial difficulties in the EU and the Eurozone and the subdued level of construction activity.



Sawn softwood consumption volumes in the EOS member countries 2000-2012 (000 m³)



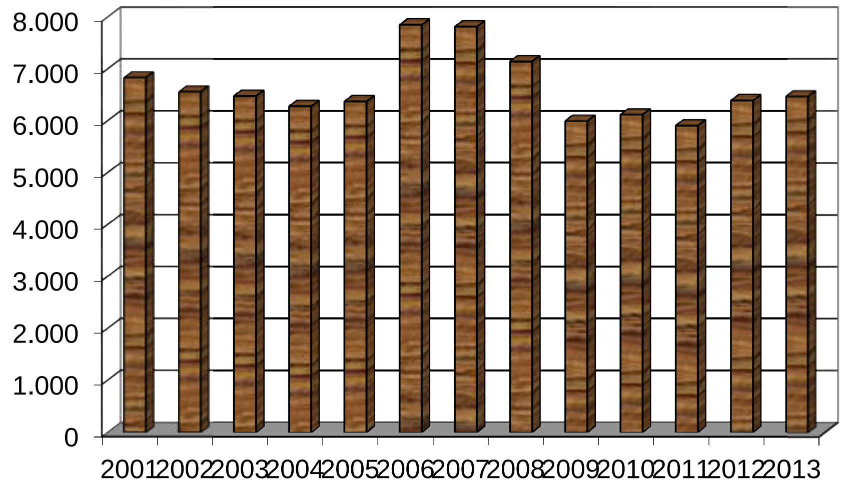
Relative share of EOS members in sawn softwood consumption

The United Kingdom is an important market for sawn softwood products. In the EOS countries it ranks third with a share of 12.9%. Germany (28.6%) and France (14.4%) remain in the lead. Austria is now fourth just ahead of Italy and Sweden.

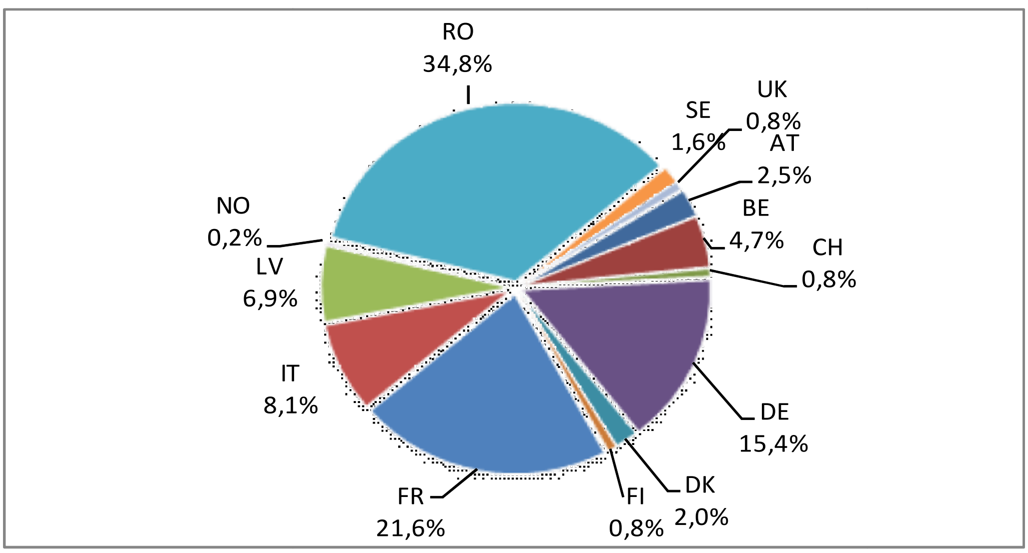
Sawn hardwood

Compared to softwood, the hardwood sawmilling sector could report an improvement of its situation in 2012. Production increased by 8.2%. This growth will continue in 2013 where an increase of 1.2% is expected. Nevertheless, as well as in the softwood sector, the increased extra-EU exports of logs is affecting the sector badly, especially in France, Belgium and Germany.

Developments differed strongly from country to country, ranging from increases around 5% in Austria, France and Italy and 9% In Belgium to a considerable growth, such as for Romania.

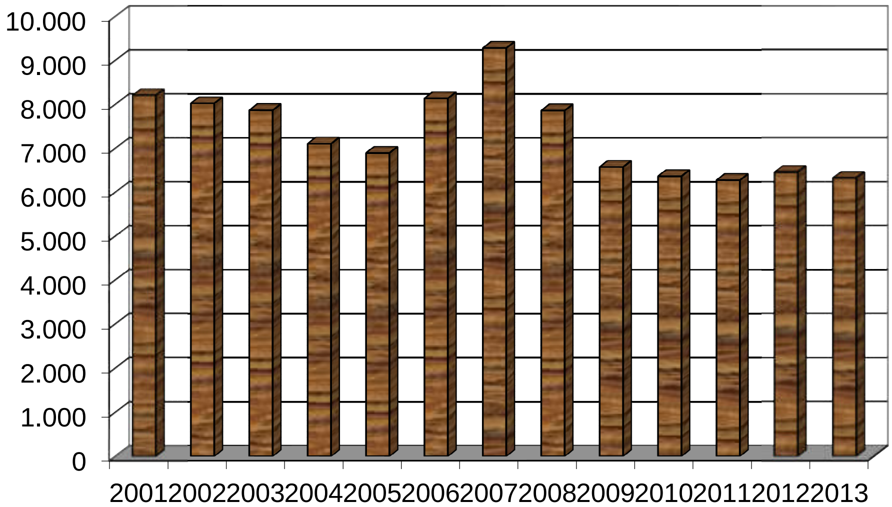


Sawn hardwood production volumes in the EOS member countries 2001-2013 (000 m³)



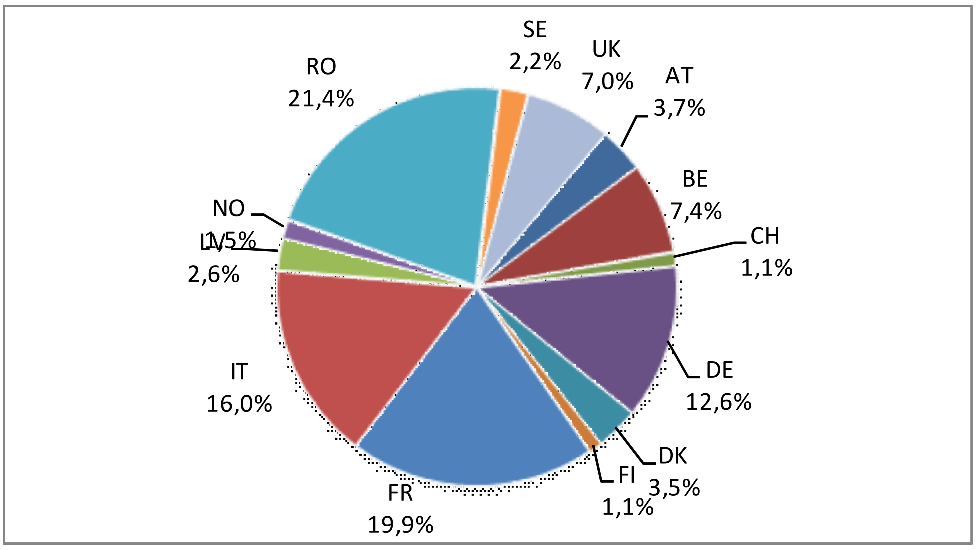
Romania and France are the most important sawn hardwood producers within EOS, with 34.8% and 21.6% respectively covering more than half of the entire production followed by Germany (15.4%) and Italy (8.1%).

Since some years, production and consumption of sawn hardwood within EOS are following the same trend with to a certain extent comparable figures. For 2012, EOS members report an increase of consumption of 2.9% with around 6.4 mio m³. Contrary to production, the forecasted demand for 2013 shows a decrease of 2.0%.



Sawn hardwood consumption volumes in the EOS member countries 2001-2013 (000 m³)

In 2012, consumption in France and Italy continued declining whereas Austria and Belgium managed to recover somewhat from its situation in the previous year.



Romania is the biggest market for sawn hardwood within EOS, consuming 21.4% of the total of EOS consumption. France ranks second with 19.9% and third comes Italy with 16% of consumption.

Comparison of sawn softwood and hardwood production and consumption developments