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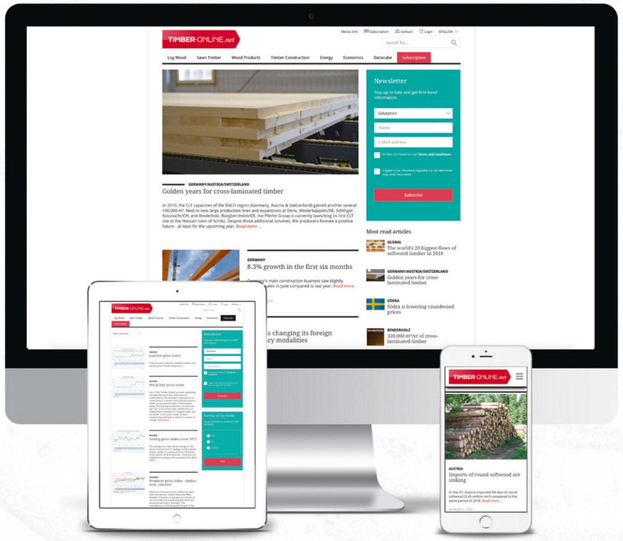
Knowledge stimulates growth.

Datacube



Bark-beetle outbreaks across Central Europe

(From abundance to scarcity)

EOS GENERAL ASSEMBLY,
24th of June 2021

75 years Holzkurier

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20 years *timber-online.net*

With **twelve journalists** it‘s the **largest** editorial team in the European timber sector. Usually only in the niche, but **this year** they were brought before the curtain.

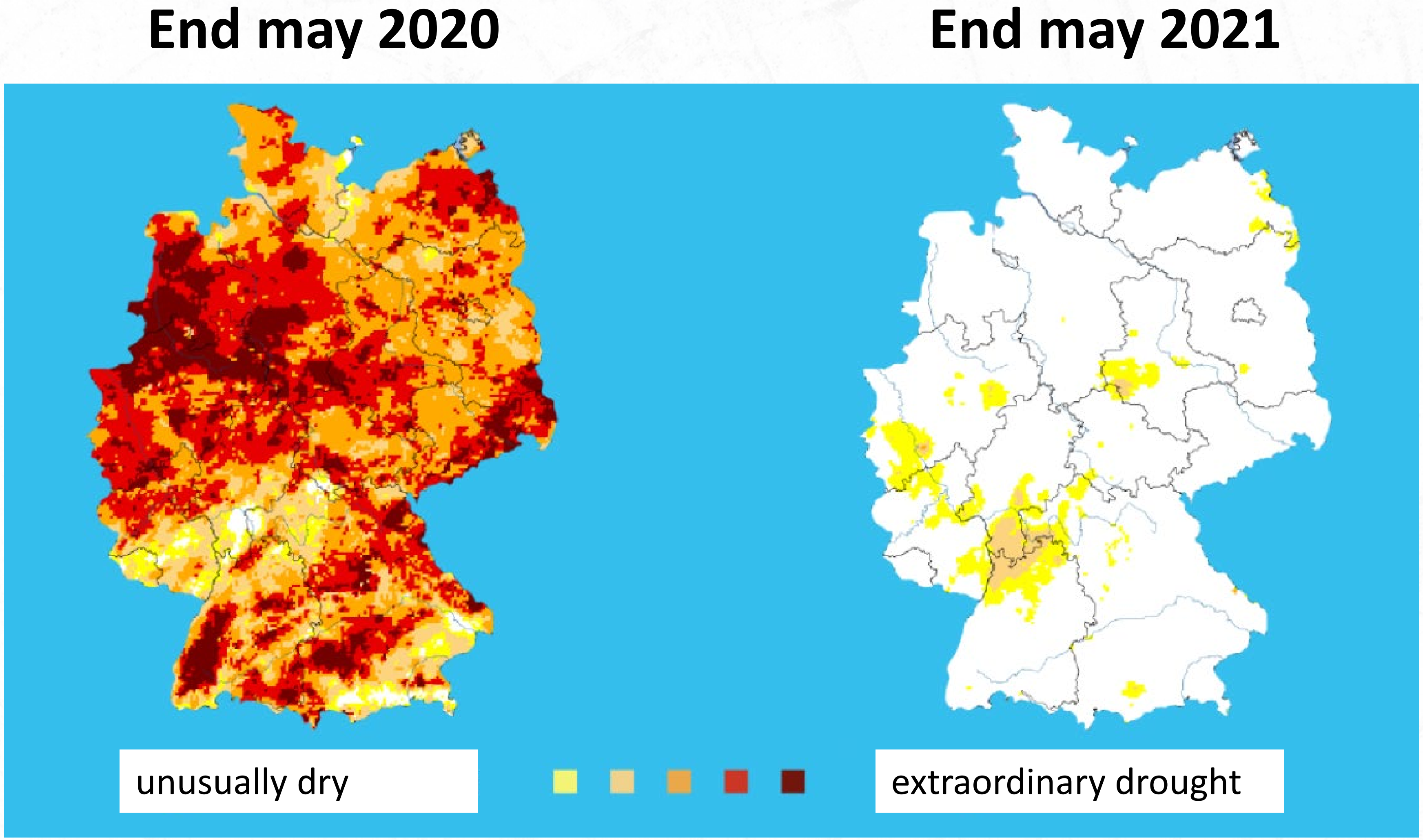
Article | Published: 15 March 2021

Recent European drought extremes beyond Common Era background variability

Ulf Büntgen, Otmar Urban, Paul J. Krusic, Michal Rybníček, Tomáš Kolář, Tomáš Kyncl, Alexander Ač, Eva Koňasová, Josef Čáslavský, Jan Esper, Sebastian Wagner, Matthias Saurer, Willy Tegel, Petr Dobrovolný, Paolo Cherubini, Frederick Reinig & Miroslav Trnka

Nature Geoscience (2021) | Cite this article

Recovery of soil moisture



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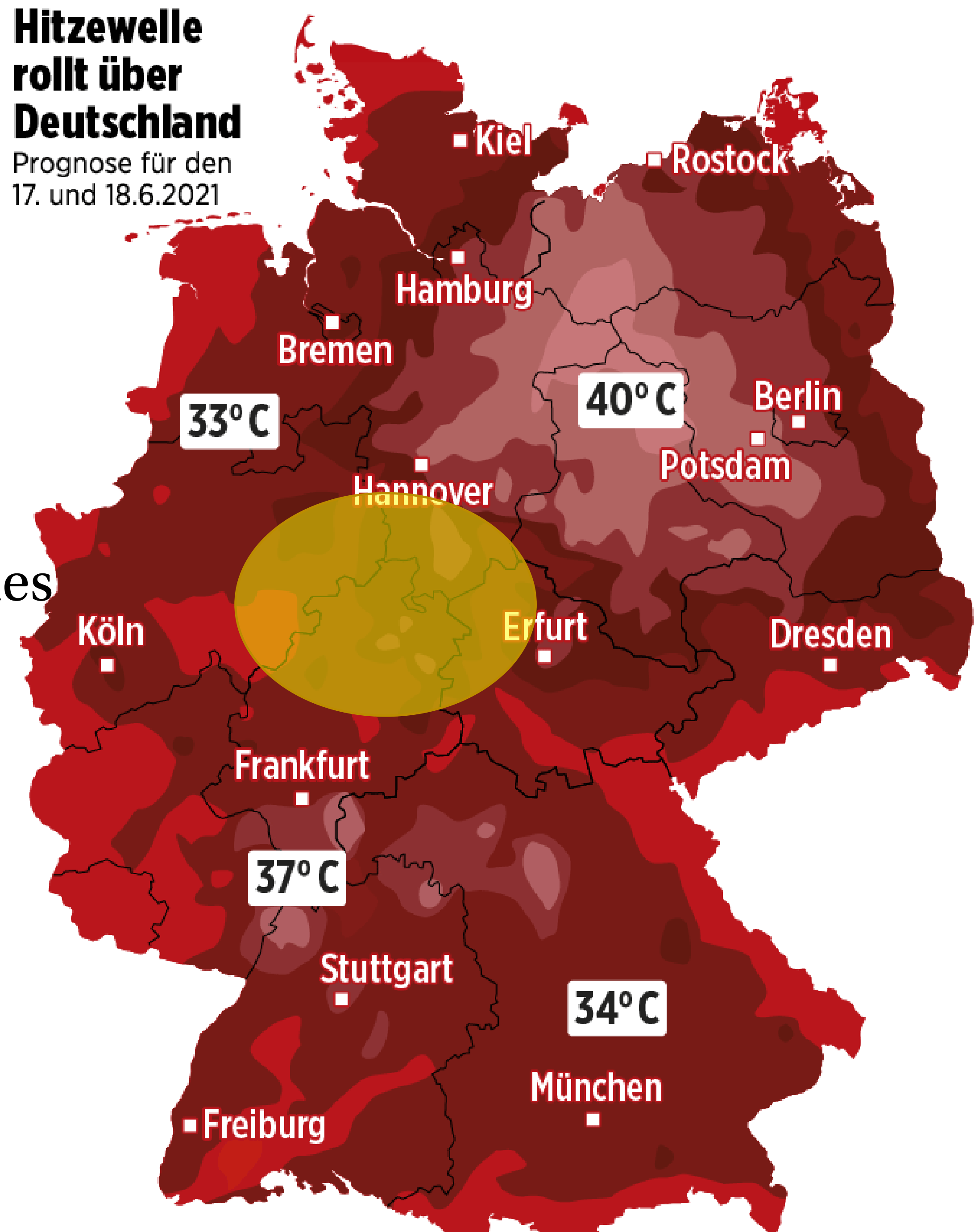
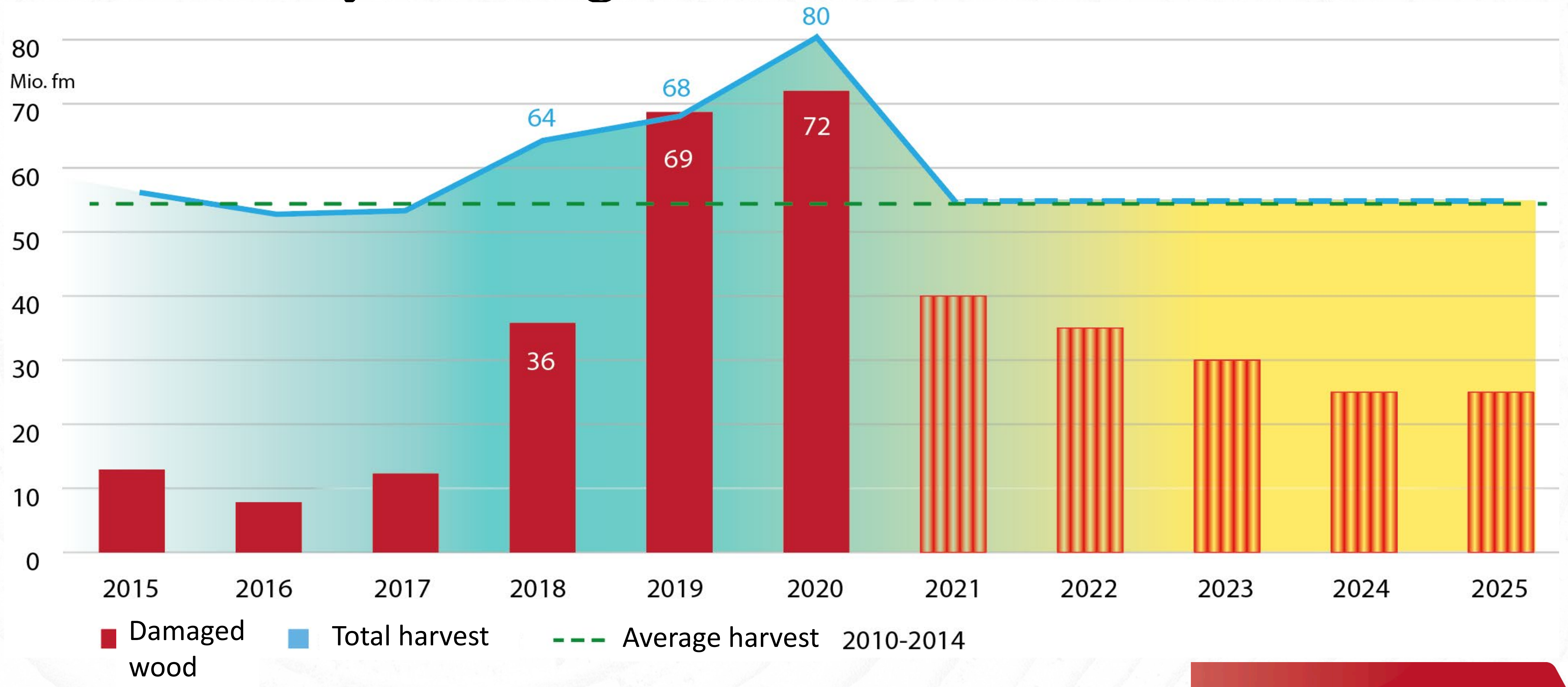
1^{st} heatwave 2021

- Harz/Sauerland mainly affected
- Pre-weakened trees first to be affected
- Healthy trees strengthened by spring rains
- But: high reproduction potential of the beetles



Germany: Damaged wood 2015-2025



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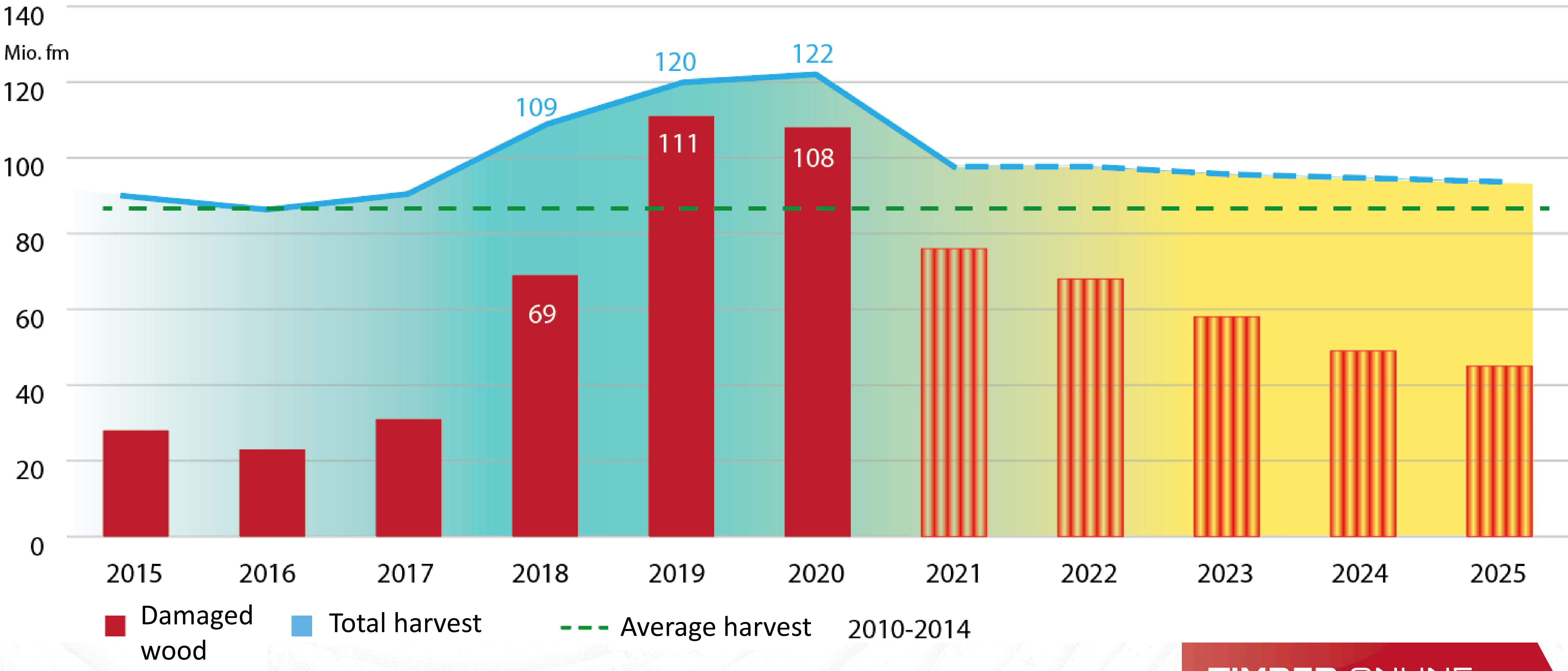
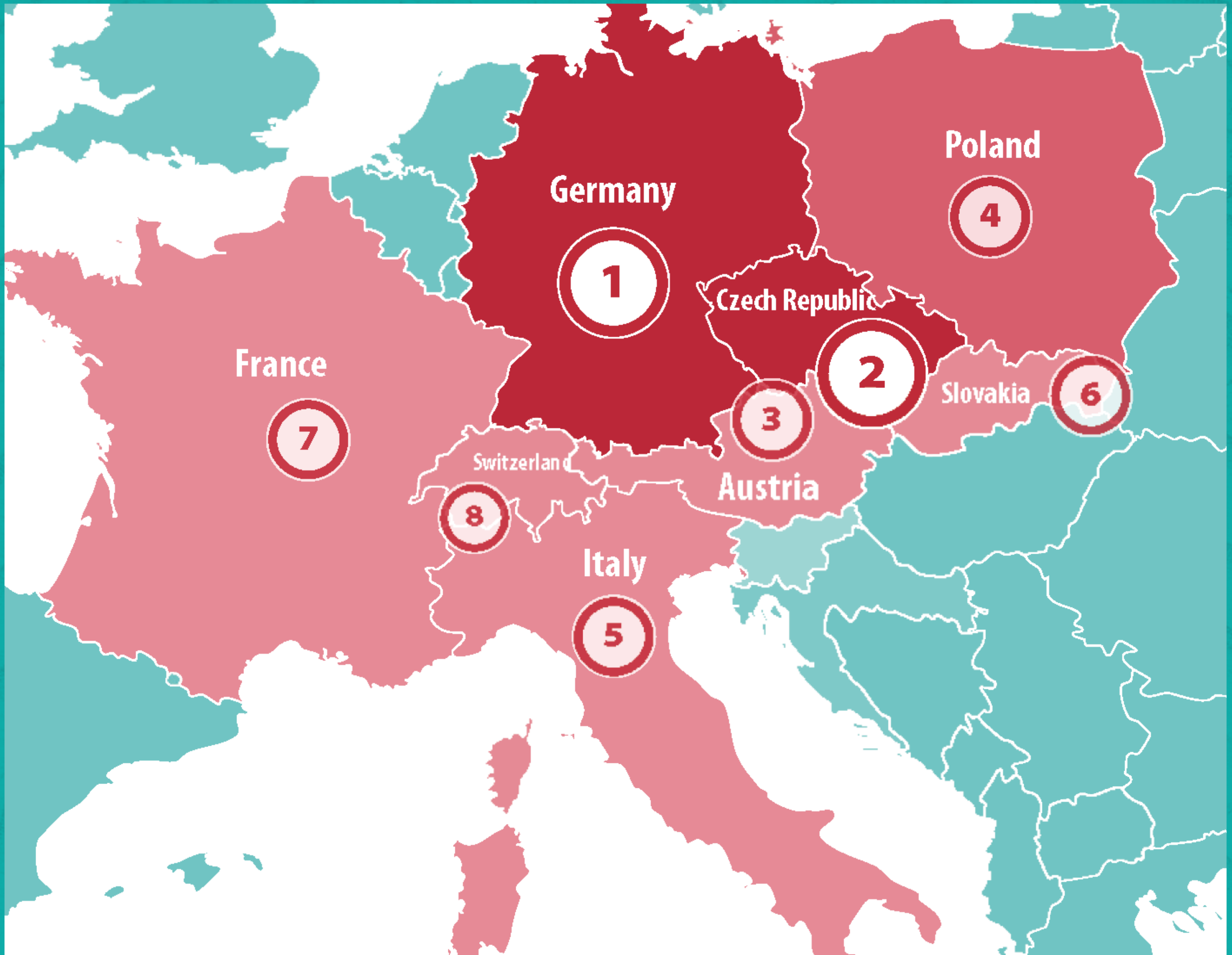
Damaged Wood Centraleurope 2015-2025



Forest damage in Europe 2018-2020: Total of appr. 330 million m³



FOREST DAMAGE EUROPE | 2018 BIS 2020

Total approx. 300 million m³ of damaged wood 2018-2020 (per year CE: 100/D: 60 million m³)

	Land	Species	in m³
1	Germany*	Spruce	178 Mio. m³
2	Czech Republic*	Spruce	84 Mio. m³
3	Austria*	Spruce	27 Mio. m³
4	Poland	Pine	10 Mio. m³
5	Italy*	Spruce	9 Mio. m³
6	Slovakia*	Spruce	8 Mio. m³
7	France	Spruce	7 Mio. m³
8	Switzerland*	Spruce	3,8 Mio. m³

Source: Thünen-Institut, Holzkurier (*) | © Holzkurier 2021

Chinese log imports from Europe

2020

- Germany 2020: 10 Mio. m³
- Czech Republic 2020: 3,4 m³

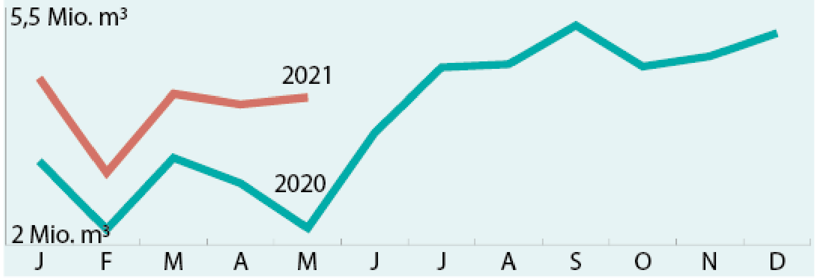
2021

- CN Import Jan-May: 20 Mio. m³ (+44%)
- Germany Jan-May: 5 Mio. m³ (+125%)

CHINA IMPORT
SOFTWOOD LOGS | 01–05/2021

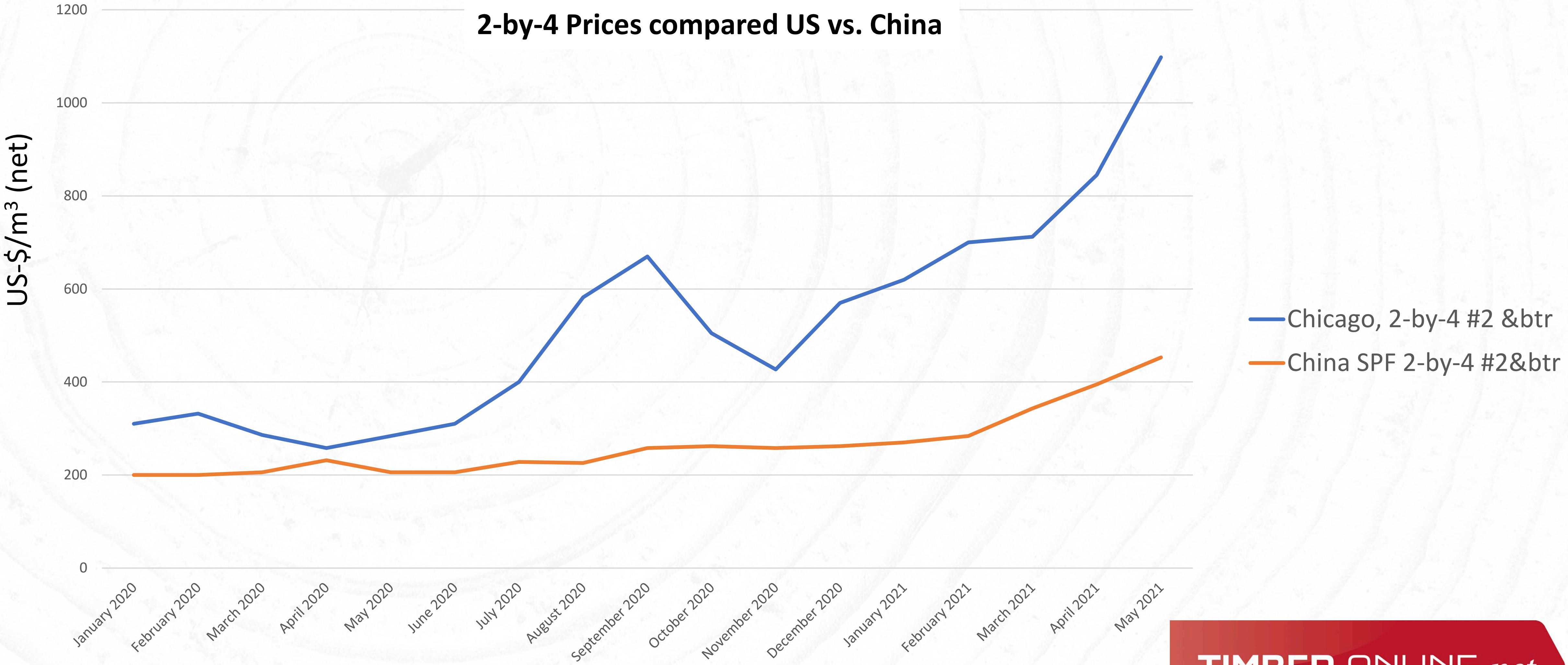
in 1.000 m³

Land	Jan – Mai 2020	Jan – Mai 2021	Diff. in %
New Zealand	5.182	**7.926**	53
Germany	2.292	**5.162**	125
Russia	1.748	**1.621**	–7
USA	526	**1.024**	95
Uruguay	79	**946**	1.104
Czech Republic	1.091	**582**	–47
Canada	315	**580**	84
Japan	380	**522**	37
Brazil	27	**338**	1.163
Slovakia	24	**279**	1.042
Other countries	2.254	**1.046**	–54
Gesamt	**13.918**	**20.025**	**44**



Source: China Customs Statistics | © Holzkurier 2021

Chinese logbuyers: „have come to stay“

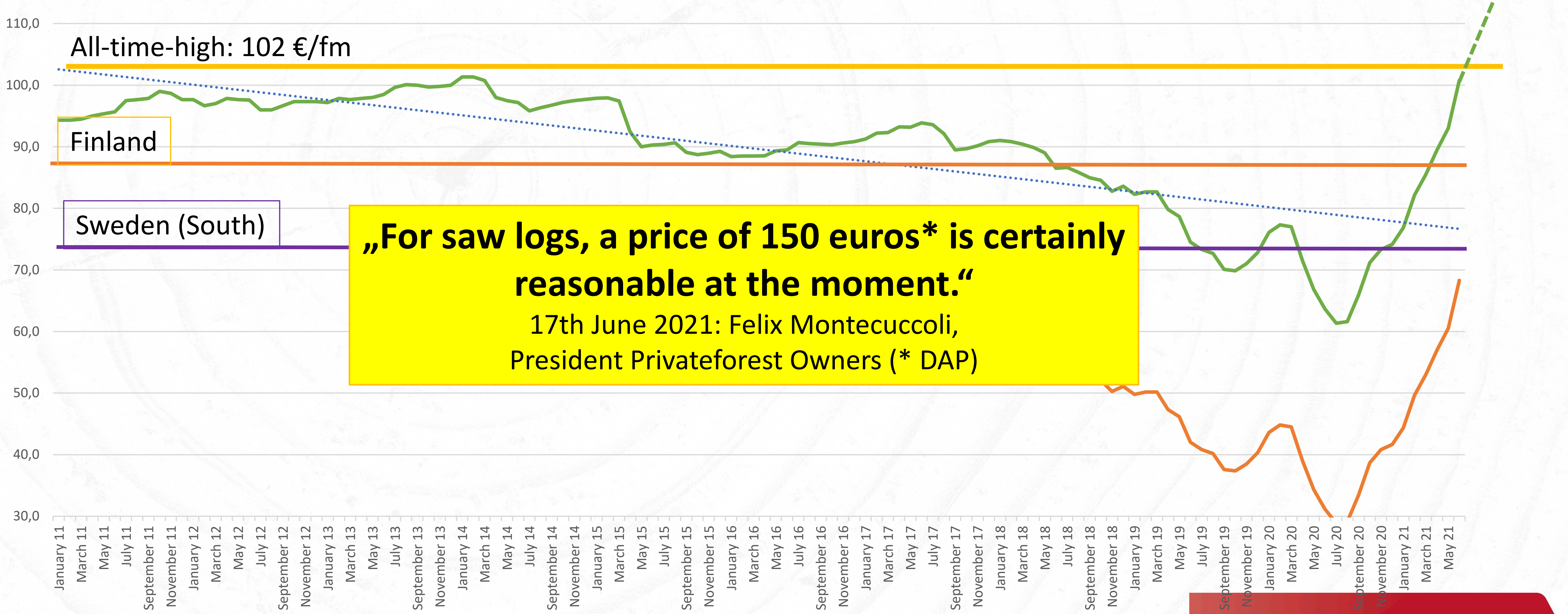


Source: Random Lenghts

Sawlog prices 2011 to June 2021

130 €/m³?

Green: average sawlog price B, 2b, Austria, Southern Part of Germany, orange damaged wood



Germany: How much coniferous logs will there be in the future?

- longterm growth potential minus 7.3 Mio. m^3 per year (softwood logs in Germany)
- high volume of coniferous logs due to damage in the next few years (by 2030?)
- **Coniferous wood supply is shrinking (level 2050 approx. 50% of today?)**
- actual forest: 56% softwood, 44% hardwood;
  next generation of forest: 27% softwood, 73% hardwood (© DeSH)

THÜNEN

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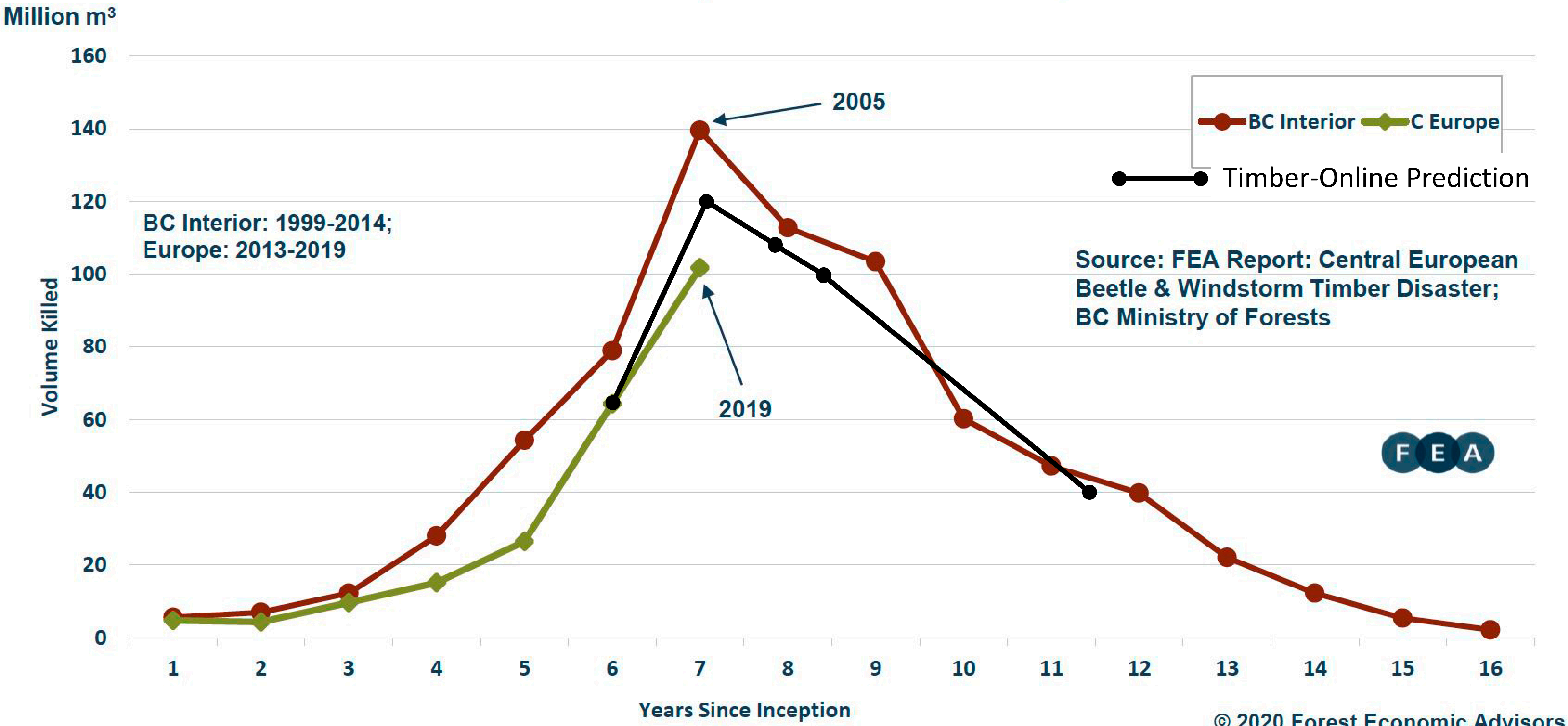
How much log will there be in the future?

- Lesy CR: harvest will shrink (8 Mio. m^3 -> 6 Mio. m^3/J)

- Österreichische Bundesforste (Austria Federal Forestry) : the proportion of spruce will fall from the current 60 % to 40 % in the medium term

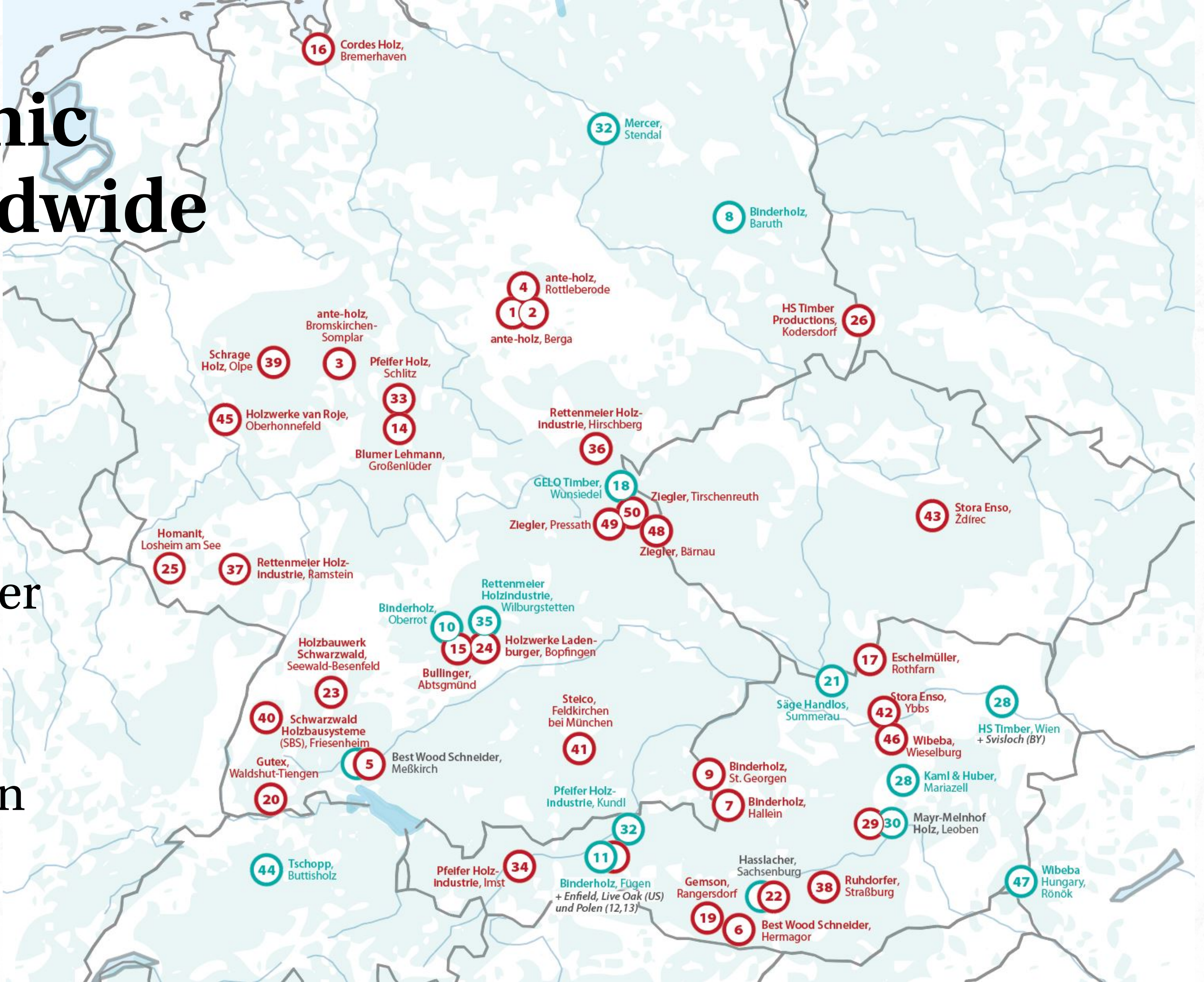
Comparison of “Pinebeetle“ (BC) and calamities* in Central Europe



* Damaged wood: drought, bark beetle, storm, snow pressure

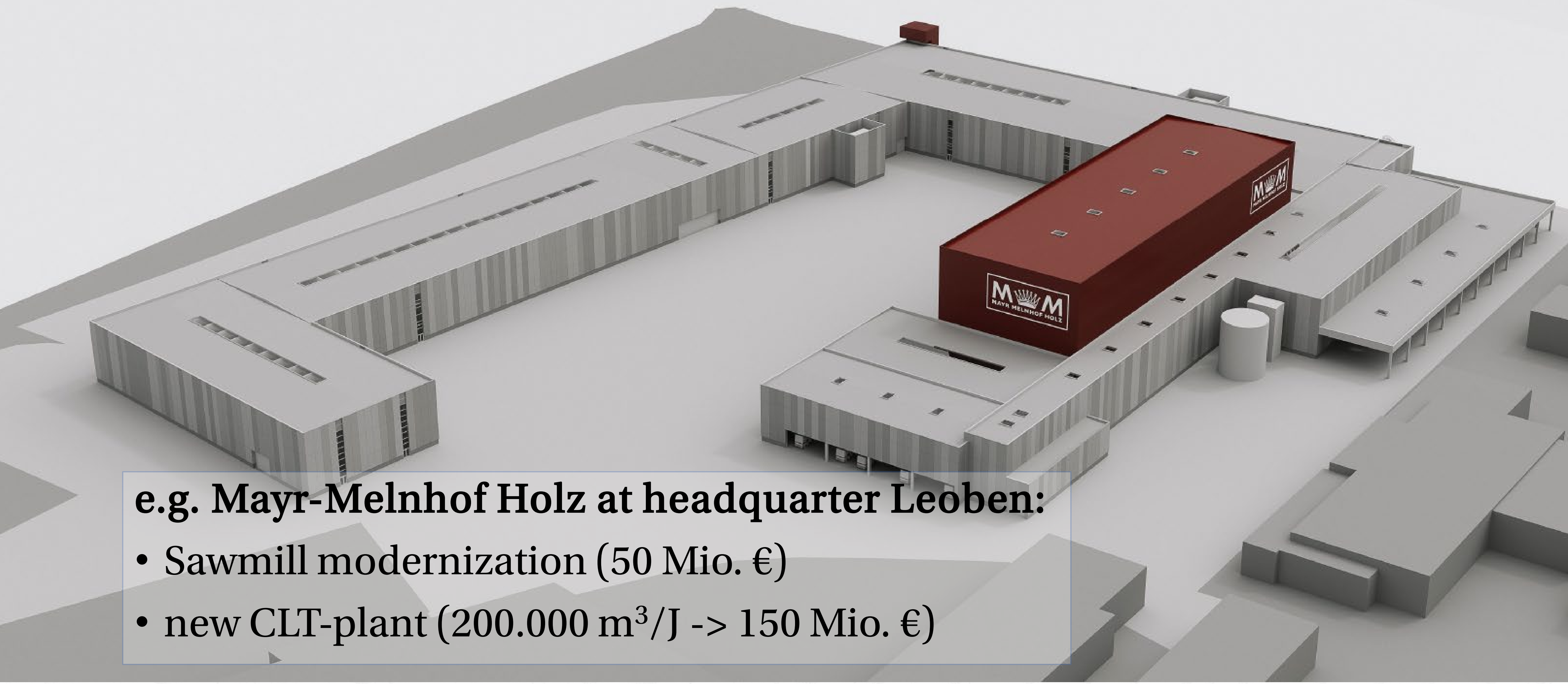
Most dynamic region worldwide

- green: Sawmills (green-/brownfield)
- red: new capacities (CLT, gluelam, KVH, planning, prefab, …)



- 11 sawmills new/higher input capacity
- 8 CLT-plants by 2023
- 5 wood fiber insulation boards

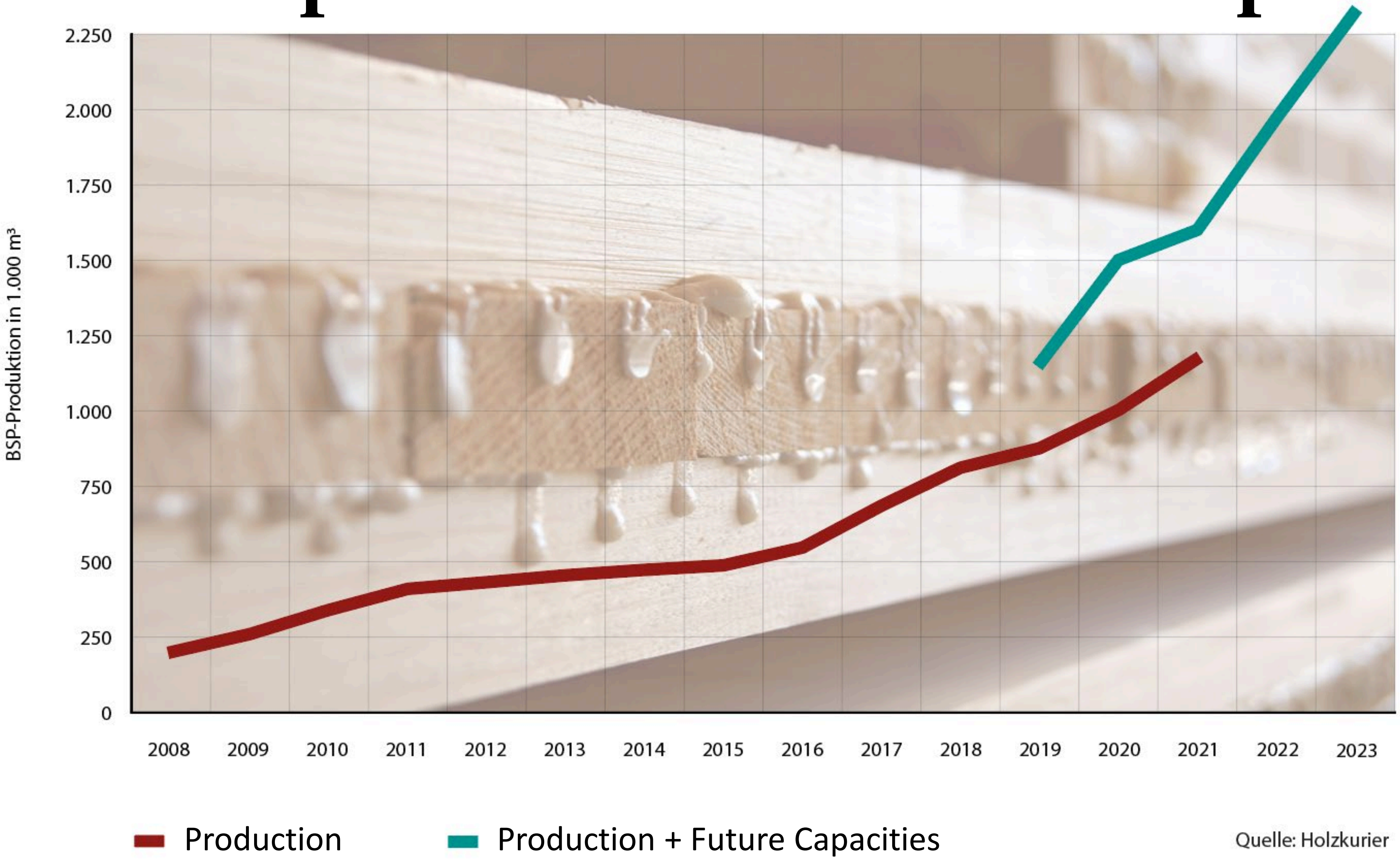
Investment #1 „Classic“



e.g. Mayr-Melnhof Holz at headquarter Leoben:

- Sawmill modernization (50 Mio. €)
- new CLT-plant (200.000 m³/J -> 150 Mio. €)

CLT-production Central Europe



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Investment #2 „Backwards integration“

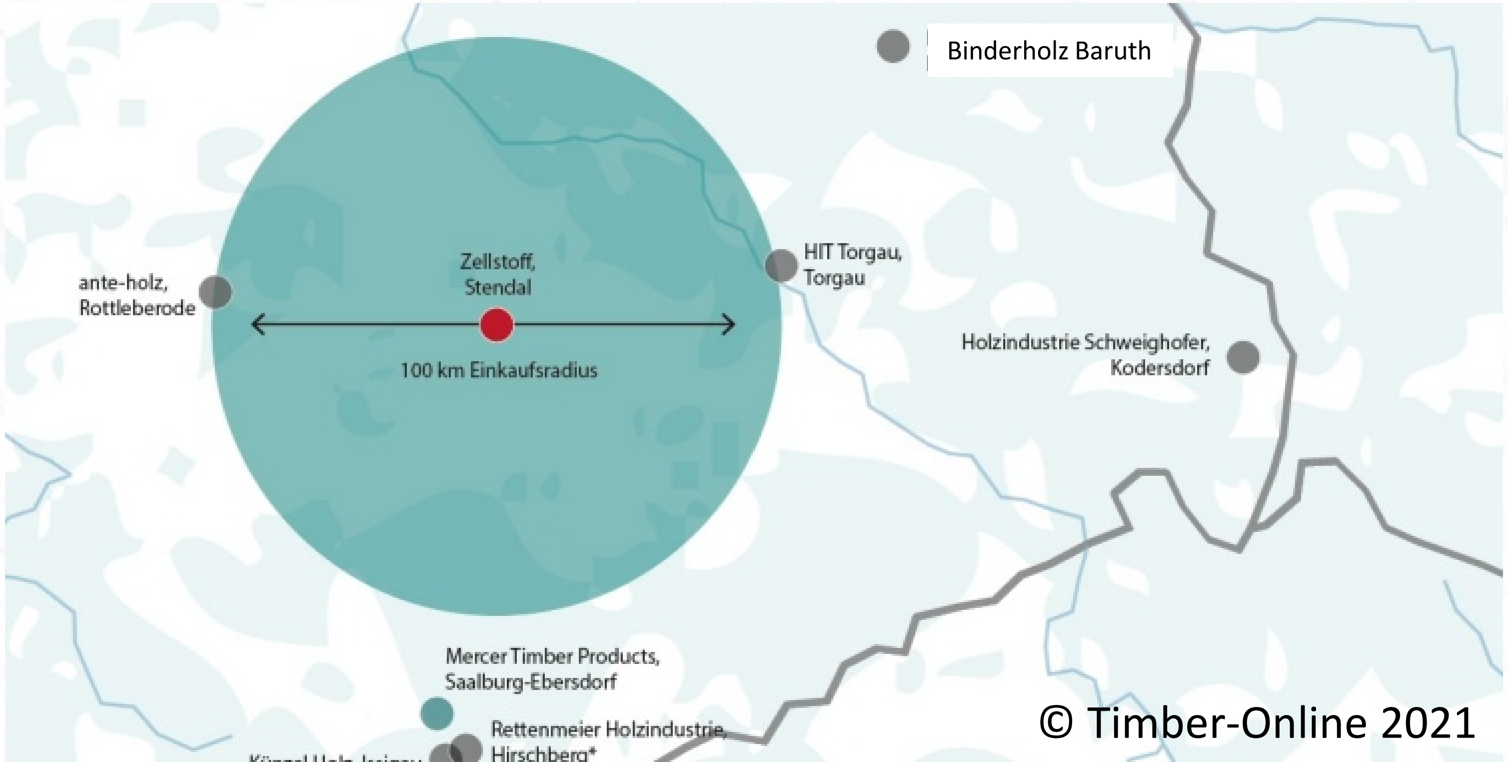
e. g. Gelo Timber:

- Greenfield sawmill (40 Mio. €)
- 350.000 m^3/Y Input
- to secure its lumbersupply

Investment #3 „Greenfield“

Mercer Stendal in Arneburg

- Greenfield (200 Mio. €)
- Start till 2024



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Investment #4-#5“ – leaving central europe

- #4: following market: Binderholz USA (start: 2021, 2022)
- #5: following resource: HS Timber, Belorus (start: spring 2022; 500.000 m³ input

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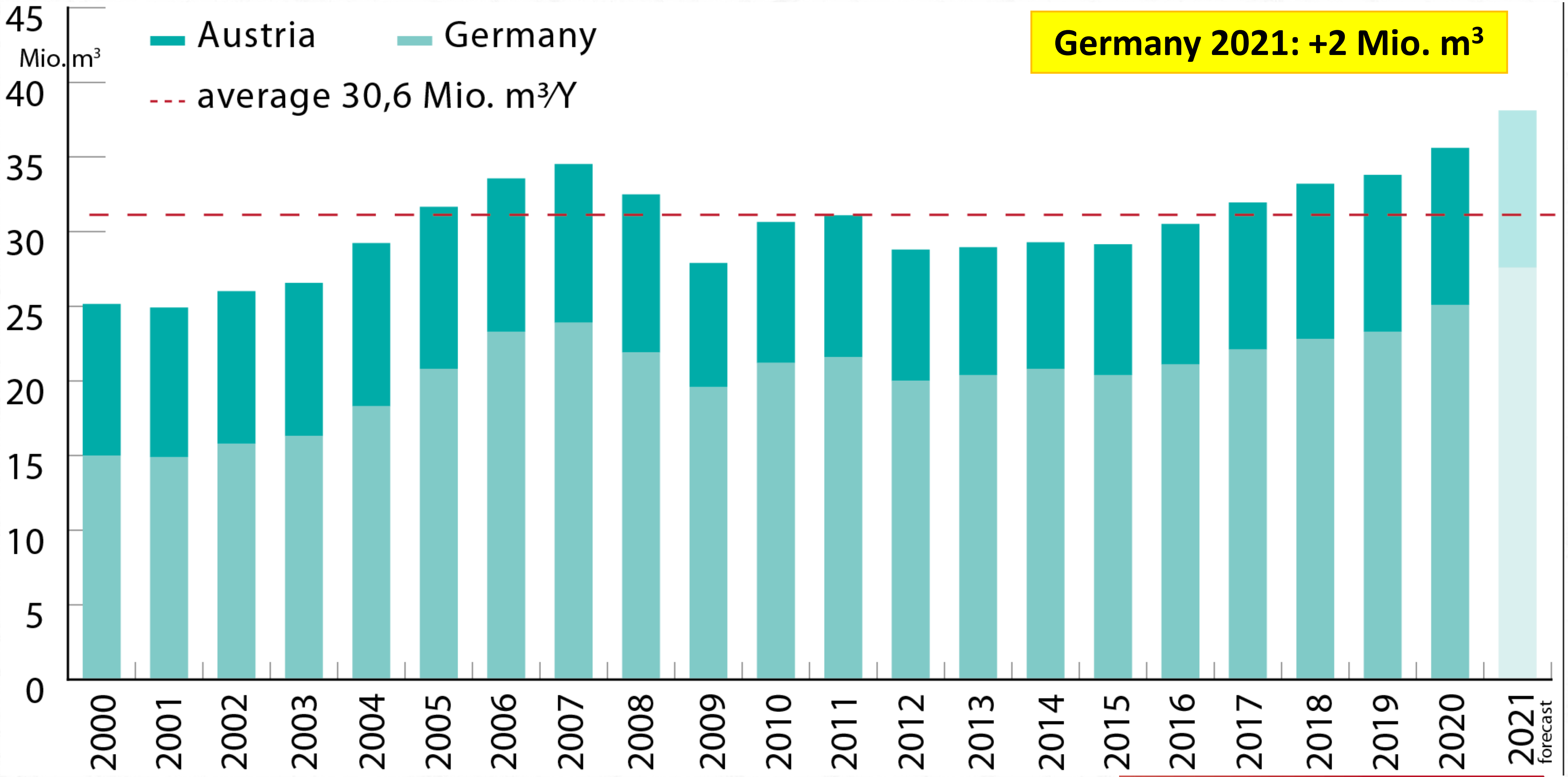
Top 25 sawmills: +6% in 2021

EUROPAS TOP 20-NADELSCHNITTHOLZ-PRODUZENTEN

Gereiht nach Plan 2021 (in 1.000 m³)

Rang 2021	Unternehmen	Firmensitz	Anzahl Sägewerk	Produktion 2020 in 1.000 m³	Plan 2021 in 1.000 m³	Diff. i. %
1	Stora Enso [1]	FI	18	4.690	4.880	4
2	Binderholz [2]	AT	8 (9)	3.180	3.600	13
3	Vida Wood [3]	SE	12	2.350	2.500	6
4	HS Timber Group [4]	AT	4 (5)	1.980	2.200	11
5	Pfeifer Holz [5]	AT	5	2.080	2.200	6
6	SCA Timber	SE	5	2.000	2.150	8
7	Rettenmeier Holzindustrie [6]	DE	5	1.900	2.120	12
8	Moelven Group [7]	NO	15	2.060	2.110	2
9	Mayr-Melnhof Holz [1]	AT	3	1.950	2.050	5
10	Södra Timber [1]	SE	7	1.900	2.000	5
11	Setra Group	SE	7	1.620	1.700	5
12	Ilim Timber [1]	DE	2	1.650	1.650	0
13	Fruytier Scierie S.A.	BE	11	1.520	1.650	9
14	UPM Timber [1]	FI	4	1.600	1.600	0
15	Metsä Fibre [1] [8]	FI	6	1.590	1.600	1
16	Holmen Wood Products [9]	SE	5	1.440	1.550	8
17	ante-holz	DE	2	1.160	1.490	28
18	Versowood [1]	FI	4	1.350	1.400	4
19	BSW Timber	UK	8	1.230	1.230	0
20	Ziegler Holzindustrie	DE	1	1.210	1.210	0
			Summe:	**38.455**	**40.750**	**6**

Sawmills run for the 4th year at full speed



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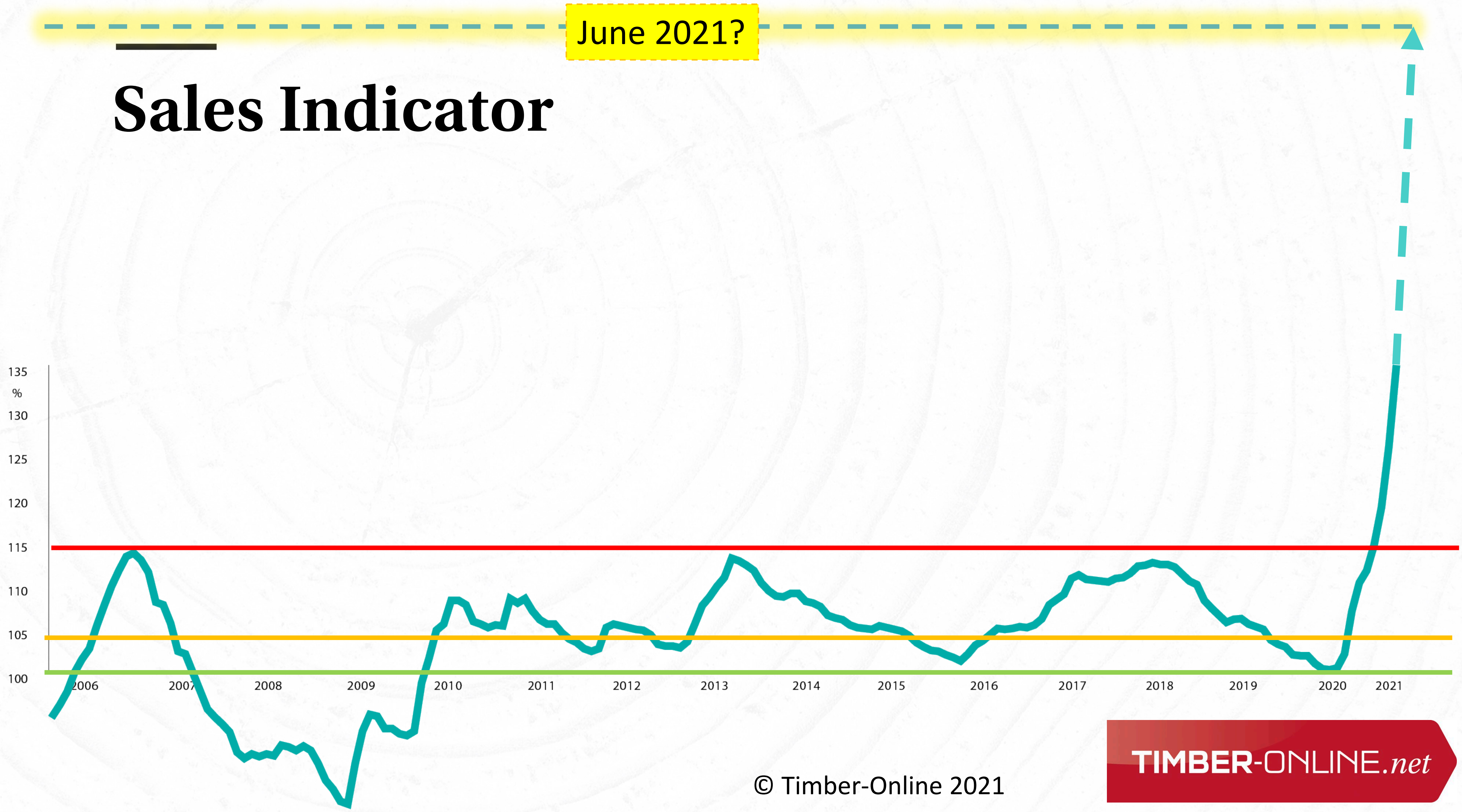
Sales Indicator



Surreal market situation

- Two/three overheated regions: the US, Germany/AT and (Japan)
- extreme price development: “Dachlatten”/Roof batten with 250 €/m³ in previous years: now 350 to 1000 €/m³
- gluelam- and CLT-prices "only" doubled within four months

2021

- **historic logprices** have/will been equaled in June (July).
- forest owners with demands of up to **150 euros per m^3**
- currently on the edge between log **shortage** and log **surplus**
- **new log flows** are changing the market: Chinese buyers, Romania buys in Poland/Germany
- **supply distances** are becoming much further
- prices for sawn timber have doubled to four times – expectation of new price levels being established
- **finding adequate, higher price levels** for forest owners and sawmills
- medium-term: **permanent seller's market** for roundwood

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2022 to 2025 …

Thank you very much for your attention!

All data/information will find on

HOLZKURIER.com + Datacube

If you need more detailed analyses or individual research about the European market, please contact me directly via LinkedIn (linkedin.com/in/gerd-ebner/) or e-mail g.ebner@holzkurier.com