#### **DACH REGION**

- Slightly rising lumber prices in Q1, decrease in demand and falling prices since Easter
- High log prices, approximately at last year's level (ex sawmill in DACH region between €140 and €150/m³)
- Prices for sawmill by-products plummeted in Germany and Austria, parallel to the pellet
- In Austria, prices for sawmill by-products should have reached the bottom in April.
- For the first time ever, nearly all European pulp mills curtailed production, which also reduces demand for sawmill by-products.
- Timber construction with a good order situation in H1, decrease in the number of
- Bigger volumes of damaged wood expected again in South and East Tyrol and Carinthia: again in South and East Tyrol and Carinthia: little snow in winter, damage caused by snow and windthrow as forest protection issues

#### SCANDINAVIA

- Log price increased, well below price in Central Europe (around €90/m³)
- Egypt, China, Germany
- Finland: decreasing exports

## **RUSSIA**

- Further decrease in softwood lumber production: Q1 2023: 6.6 million m<sup>3</sup>; -12% compared
- Mayr-Melnhof Holz and Hasslacher sawmills "sold" to Russian companies
- Lumber exports to China up by 12% in Q1
- Log exports to China: 0 m<sup>3</sup> in Q1

#### Scandinavia

Region



North Africa/

Middle East

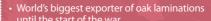




### **BALTIC STATES**

- In H1 2022, still massive "resale of Russian and Belarussian goods"; not anymore since then
- War/post-war era: countries process/need more lumber than is available: Baltic States become import region, e.g. for Swedish log

#### UKRAINE



- Continued effort to export oak lumber
- twood lumber exports down by 42% in
- Decreasing softwood lumber exports in 2023 (e.g. to Italy: -23% to 23,000 m³)







China





#### Japan

#### USA

Increasing shipments from Europe (+42%) in Q1 despite decrease in softwood imports

USA

- European share of US imports already at 18% after Q1 (2022: 12%)
- Price levels are currently so low that North American manufacturers are in the red.
- Predicted price increase in May did not happen yet; Lumber Futures for July: price to double from current level
- General uncertainty and high interest rates have negatively impacted demand.
  Demand for repair/refurbishment should pick

- Ship freight rates (Europe to the US) much

#### **MENA REGION**

- European countries exported nearly 8.05 million m<sup>3</sup> of softwood lumber to the Middle East and North Africa in 2022, i.e. 10% more than in
- The MENA region is by far the most important overseas market.

#### **LEGEND** | MAP KEY



Lumber production





Constant development of prices/volumes



Timber construction



Different market developments

High stock levels









Overheated market



Upward trend



Downward trend

- Massive increase in softwood lumber imports: +33% to 1.8 million m<sup>3</sup> in three months
- Canada, Germany and Nordic countries with bigger volumes; Belarus: +174% to 64,000 m<sup>3</sup>
- Unsatisfactory price levels for lower-quality lumber; higher qualities sell for just under US-\$300/m<sup>3</sup>.
- Much lower freight rates for shipments from Europe to China

### JAPAN

- Market saturation reached, warehouses full. Order activity is expected to increase at the end of Q2.
- Sebes/RO: Acquisition could lead to changes in supply from Europe

# **LUMBER MARKET DEVELOPMENT** H1 2023