

# ETTF Outlook 2023/2024





# Our thoughts and best guess October 2022

- – In 2023 we have to get back to work 😊
- We expected interest and inflation to increase further – And we were right
- We all hoped the war would end, but no positive signs at all.
- And we did a forecast on the sawn timber.....

# Facts in import 2022 – Members importing > 1 mio. m3



| 1000 m3 sawn softwood |  |                      |                    |
|-----------------------|--|----------------------|--------------------|
| Country               |  | forecast import 2022 | Actual import 2022 |
| Austria               |  | 1.850                | 1.785              |
| Belgium               |  | 2.700                | 2.620              |
| Denmark               |  | 1.350                | 1.220              |
| France                |  | 3.000                | 2.900              |
| Germany               |  | 5.000                | 4.200              |
| Italy                 |  | 5.000                | 4.600              |
| Netherlands           |  | 2.900                | 2.650              |
| Spain                 |  | 1.000                | 1.200              |
| Sub. Total            |  | <b>22.800</b>        | <b>21.175</b>      |
| UK                    |  | 6.250                | 5.700              |
| USA                   |  | 26.885               | 28.250             |
| Total                 |  | <b>55.935</b>        | <b>55.125</b>      |

# Facts in consumption 2022



| 1000 m3 sawn softwood |  |                       |           |
|-----------------------|--|-----------------------|-----------|
| Country               |  | Forecast October 2022 | Act. 2022 |
| Austria               |  | 6.500                 | 6.135     |
| Belgium               |  | 2.600                 | 2.790     |
| Denmark               |  | 1.415                 | 1.300     |
| France                |  | 9.000                 | 9.000     |
| Germany               |  | 19.800                | 17.300    |
| Italy                 |  | 5.150                 | 4.300     |
| Netherlands           |  | 2.620                 | 2.260     |
| Spain                 |  | 3.805                 | 2.855     |
| Sub. Total            |  | 50.890                | 45.940    |
| UK                    |  | 8.935                 | 8.700     |
| USA                   |  | 86.205                | 90.200    |
| Total                 |  | 146.030               | 144.840   |

# What happened so far in 2023

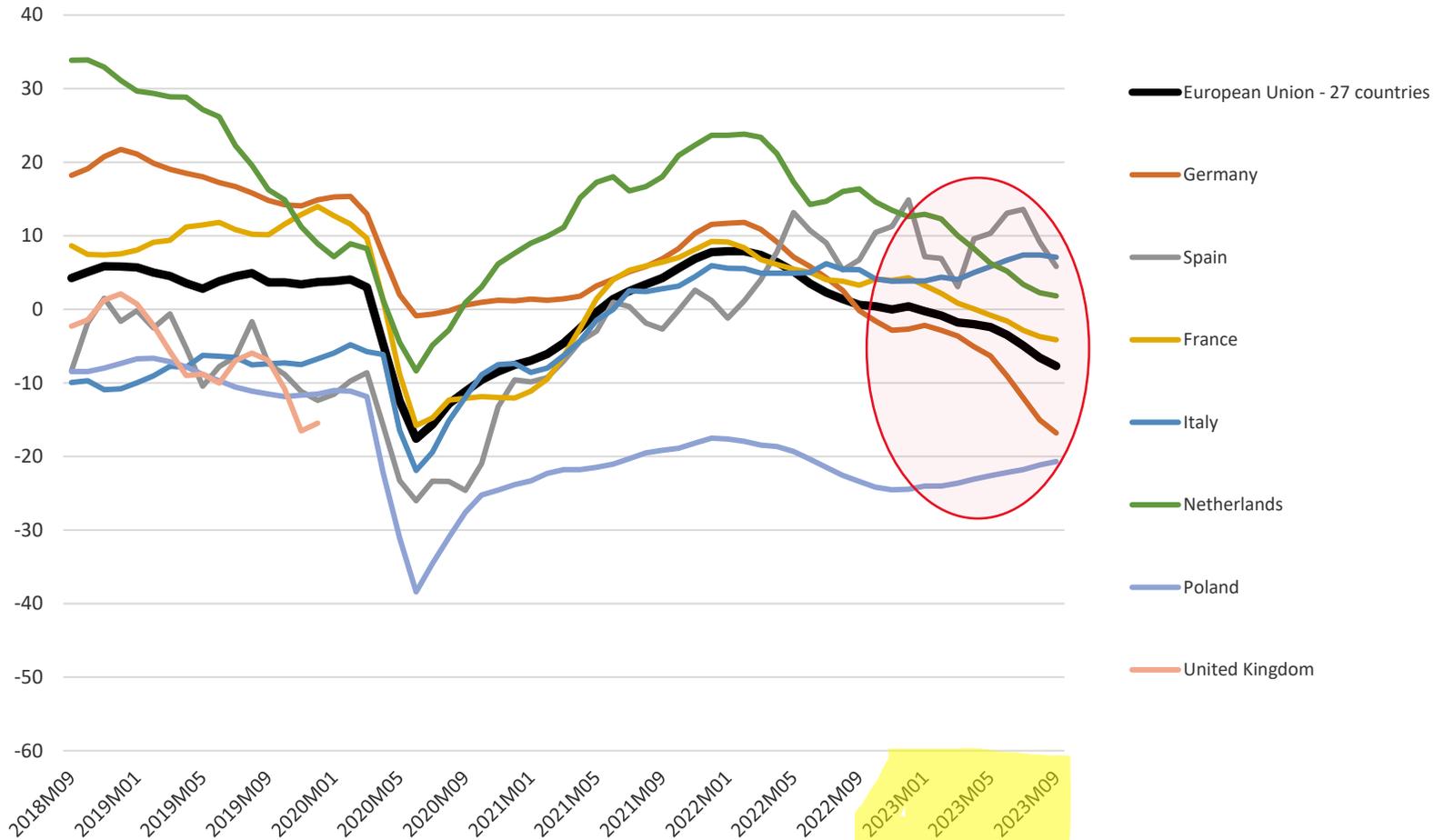


- **Still no solution to the war in Ukraine**
- **Slow / non effect on the lack of Russian and Belarusian sawn timber**
- **There was lower activity in both building and DIY sector in the 1. half**
- **Prices were more or less stable q1 and q2 – followed by small drop in q3 and 4**
- **Oversupply in 2<sup>nd</sup>. half ..... again !/ High stocks in most countries**
- **Interest increased**
- **Inflation increased q1+2**
- **Uncertain Energy challenges**

# Eurostat construction confidence index for the EU Member States



Construction Confidence index for EU member states (run.av. 3 months)

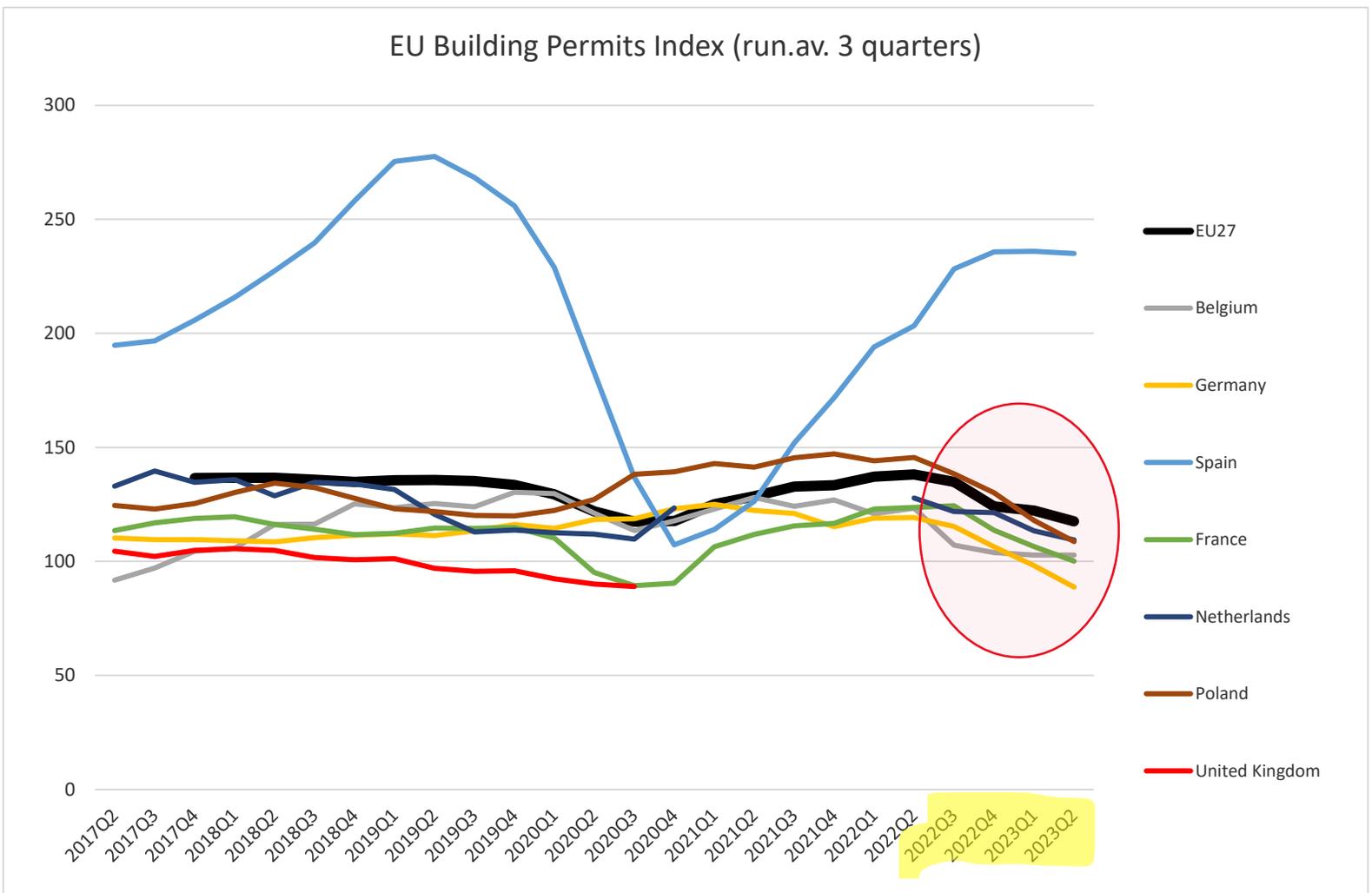


**Overall construction confidence setback of 2022 continues in 2023**

# EU Building Permits Index



EU Building Permits Index (run.av. 3 quarters)



## 2015 = Index 100

- Increase till Q1 2022 with peak at 142
- Since Q2 2022 gradual decrease to 117 in Q2 2023
- Spain shows dramatic curve. With an increasing trend since 2021 again, stabilising in 2023
- Germany drops below 2015 levels

# Import and consumption 2023 and 2024



| 1000 m3 sawn softwood |  |                |             |                     |             |
|-----------------------|--|----------------|-------------|---------------------|-------------|
| Country               |  | Est. Import 23 | Forecast 24 | Est. Consumption 23 | Forecast 24 |
| Austria               |  | 1.445          | 1.445       | 4.845               | 4.845       |
| Belgium               |  | 2.700          | 2.700       | 2.600               | 2.550       |
| Denmark               |  | 1.150          | 1.150       | 1.200               | 1.200       |
| France                |  | 2.300          | 2.200       | 8.200               | 7.450       |
| Germany               |  | 2.700          | 3.000       | 14.900              | 13.300      |
| Italy                 |  | 4.170          | 4.170       | 4.200               | 4.200       |
| Netherlands           |  | 2.475          | 2.400       | 2.100               | 2.050       |
| Spain                 |  | 1.050          | 1.050       | 2.550               | 2.500       |
| Sub. Total            |  | 17.990         | 18.115      | 40.595              | 38.095      |
| UK                    |  | 5.385          | 5.474       | 8.300               | 8.485       |
| USA                   |  | 28.389         | 27.669      | 87.450              | 88.150      |
| Total                 |  | 51.764         | 51.258      | 136.345             | 134.730     |

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We imported 21,2 mio. in 2022



# Import and consumption 2023 and 2024



We came from 45.940 in 2022

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Further decrease in consumption in 2024



|                           | <i>Unit</i>                | <b>2022</b> | <b>2023</b> | <b>2024</b> |   |                |
|---------------------------|----------------------------|-------------|-------------|-------------|---|----------------|
| <b>Finland Production</b> | <i>1.000 m<sup>3</sup></i> | 11.200      | 10.500      | 11.000      | } | <b>- 2,3%</b>  |
| <b>Sweden Production</b>  | <i>1.000 m<sup>3</sup></i> | 18.800      | 18.400      | 18.300      |   |                |
| <b>Germany Production</b> | <i>1.000 m<sup>3</sup></i> | 24.309      | 21.400      | 19.800      | — | <b>- 18,5%</b> |

# Sanctions to be kept



# Conclussion



- **Disturbing decreasing consumption**
- **Decreasing activity in the building sector in general**
- **General decrease in building permits in 2024**
- **Consumer confidence still on a low level, and is expected to be on the same level in 2024**
- **Unemployment rate various from 2,0-11,5 % – but forecast for all countries are stable in 2024 on the level as in 2023**
- **Positive signs on inflation**
- **Positive signs on interest, expected to be stable throughout 2024**
- **Positive focus on using wood from a political/environmental perspective (But also, still more focus on protecting the forest)**
- **Uncertain energy prices this Winther**
- **US and Chinese market ( US stable import – China, we must expect even bigger import from Russia)**

**The figures are confusing, and we should be better off than the forecast we have seen so far.**

**2024 will be another, maybe even more difficult year.**



A pair of hands is shown from the bottom, cupping a large pile of various coins. A small tree with a thin trunk and a full, green canopy grows out of the center of the coin pile. The background is a solid, bright green color. The text is overlaid in bold, black, sans-serif font.

**SO WE NEED TO GET THE MARKET IN BALANCE  
AND INCREASE CONSUMPTION ACCORDING TO THE  
POLITICAL AGENDA, AND THE GREEN TRANSITION  
OTHERWISE WE DO NOT DESERVE TO BE PRODUCERS  
AND TRADERS OF THE WORLDS FINEST  
BUILDING MATERIAL  
WE OWE IT TO NATURE**

# THANK YOU



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