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WOOD-BASED PANELS









Overview of the European Wood-Based Panels markets in 2022
EPF Press Conference, 9 May
Interzum
Cologne, Germany

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Agenda

1. 2022 Wood-Based Panel Industry Results* and Outlook 2023

* Provisional Only

2. Advocacy and Strategic Directions

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2022 WBP Results and Outlook 2023

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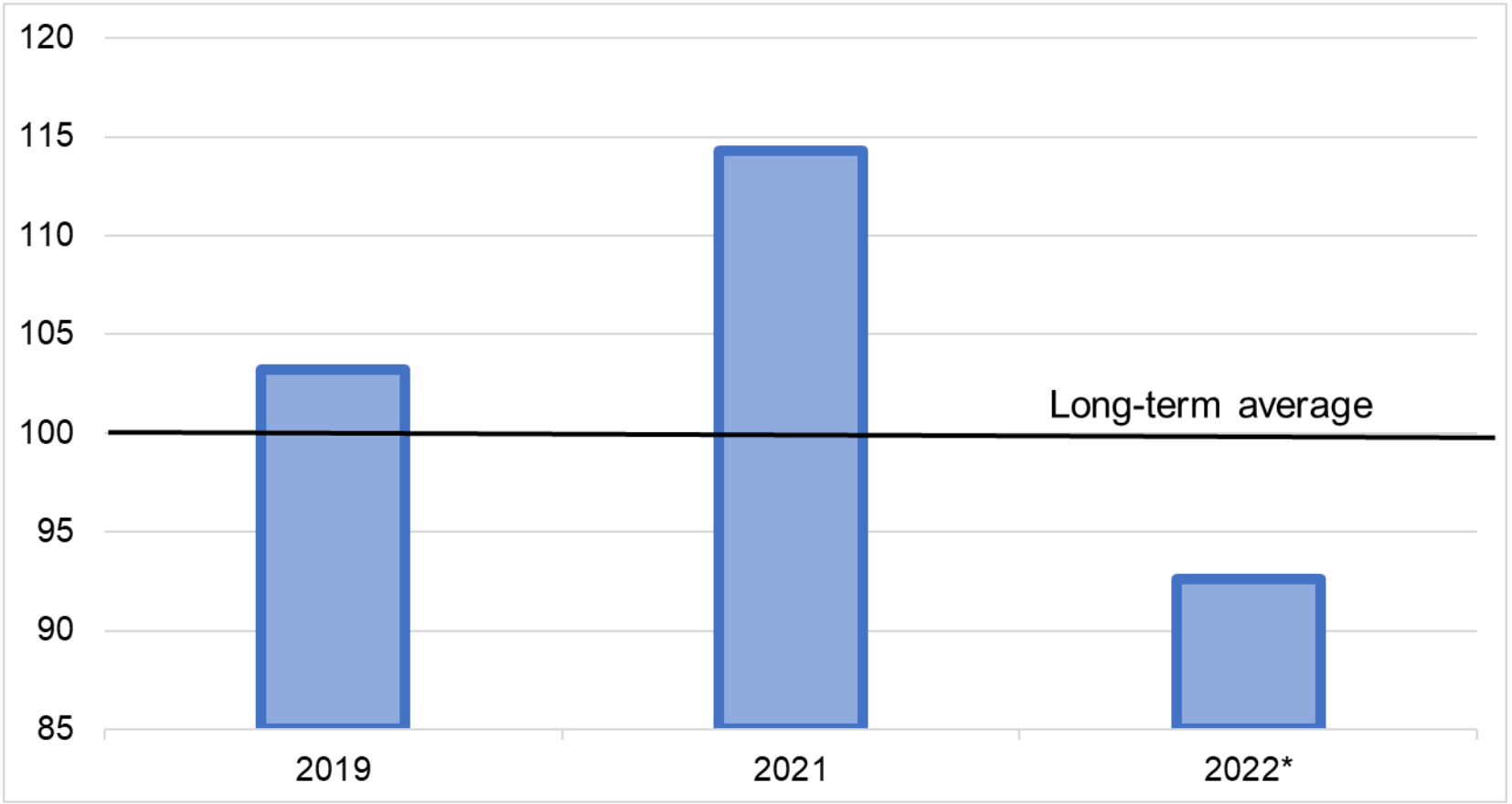
Economic Sentiment Indicator in the EU



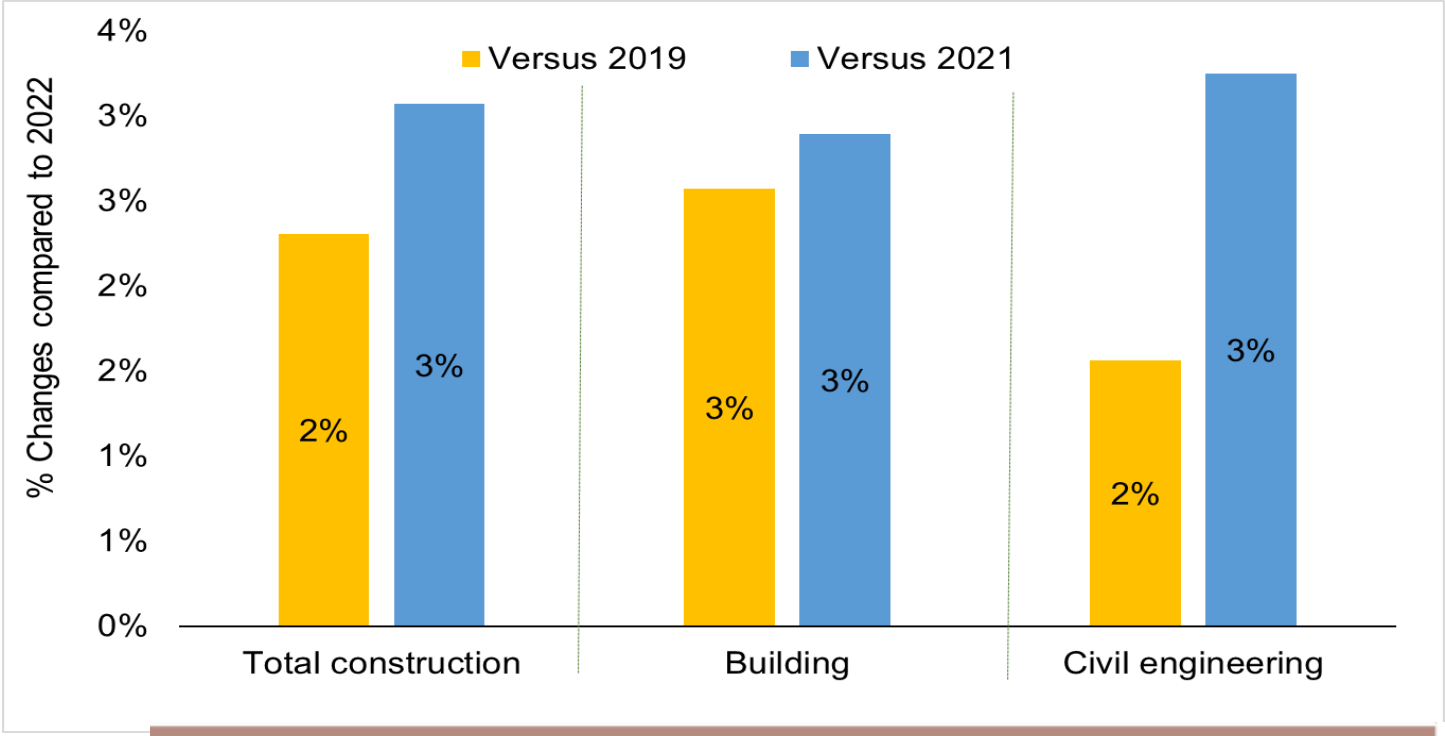
* *minimum level*

Source: European Commission

Construction sector in EU-27 in 2022



% Changes compared to 2022 (volume wise: calendar and seasonally adjusted)



- **Availability of public funds supporting civil engineering construction in 2022**
- **Building sector benefitted from rising housing market in H1 2022 with a sea change in H2 2022**

Source: Eurostat

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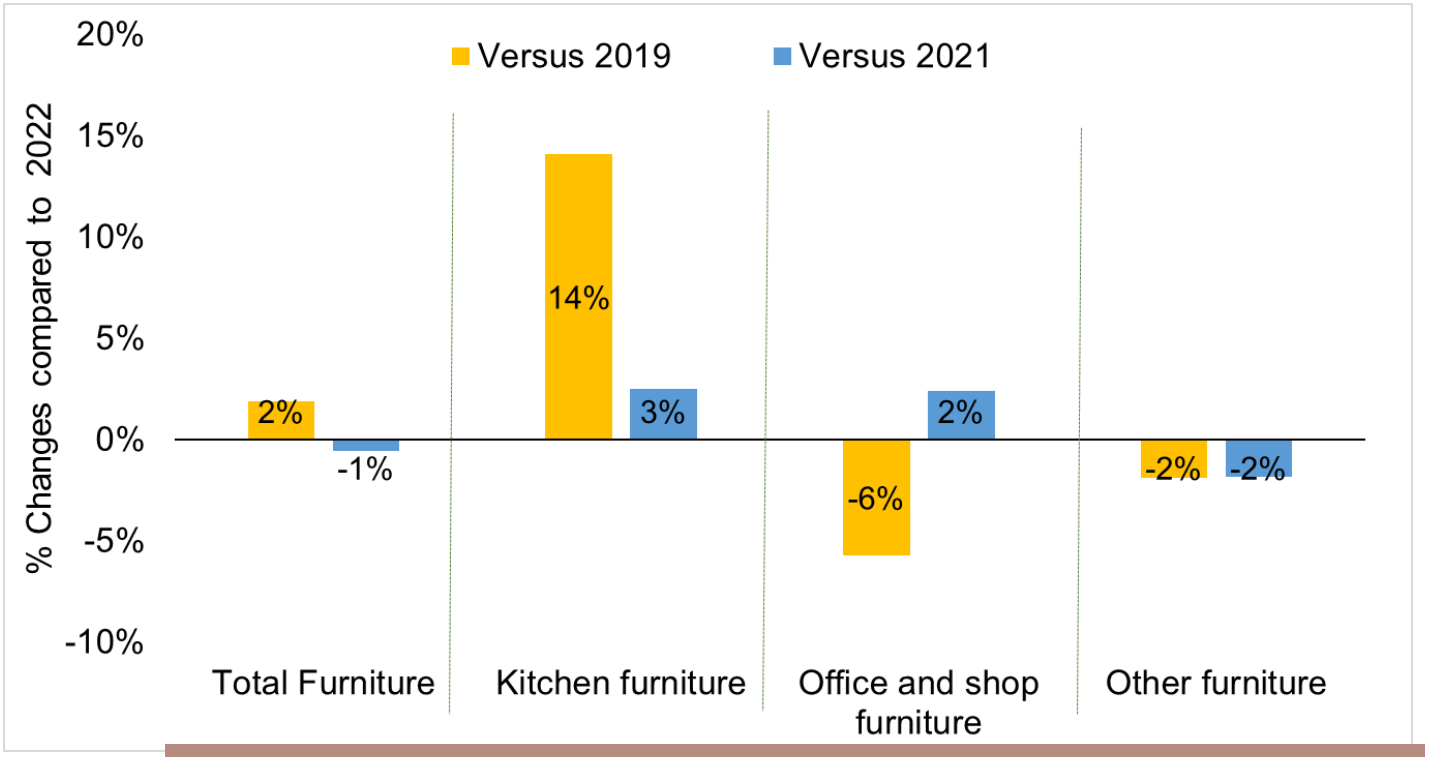
Manufacture of Furniture in EU-27 in 2022



% Changes compared to 2022 (volume wise: calendar and seasonally adjusted)



- All furniture segments contracted in Q4 2022
- Uncertain economic situation and high energy prices reduced the household purchasing power
- High-end segments showed better performance

Source: Eurostat

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PROVISIONAL RESULTS 2022

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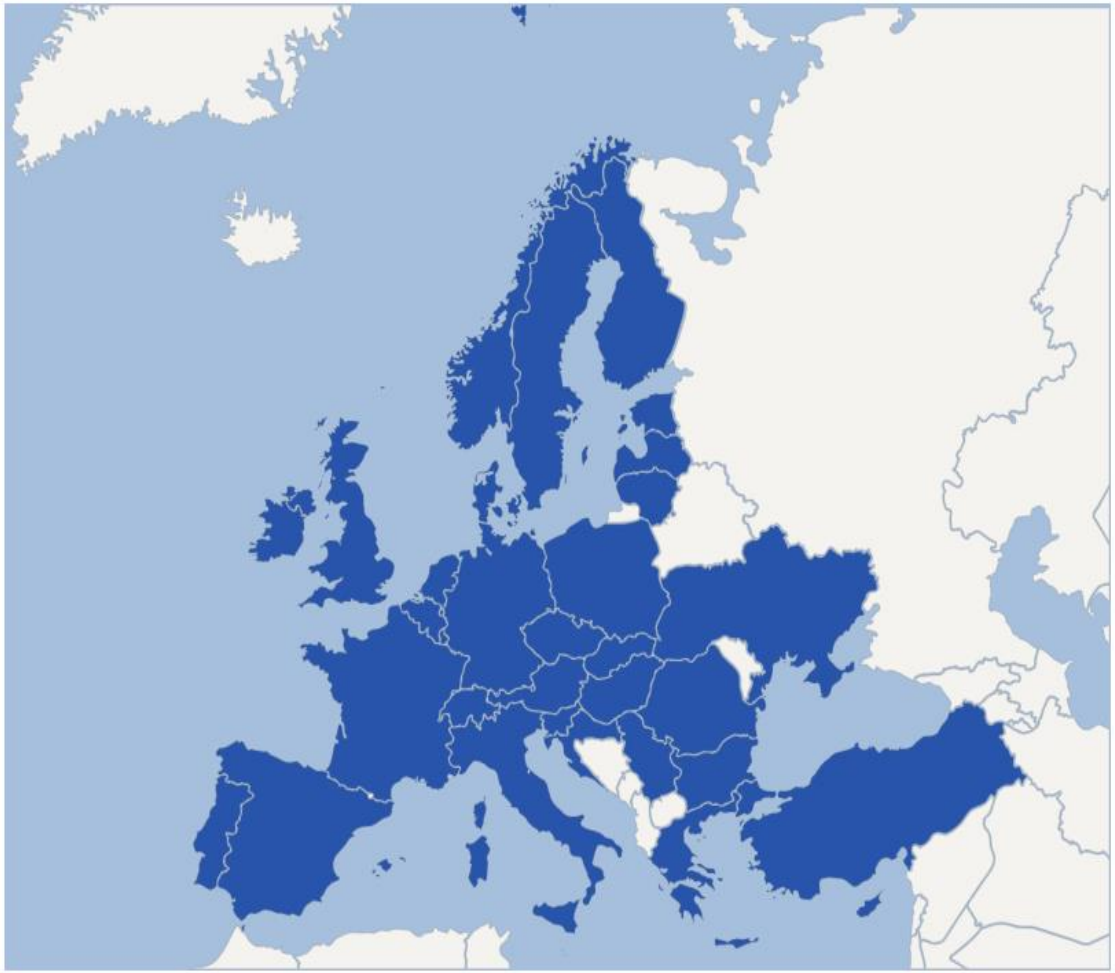
European Panel Federation



- All wood-based panel types (Particleboard, MDF, OSB, Hard- and Softboard, Plywood)
- Members in 30 European countries
- 100,000 jobs
- €25 billion turnover
- 63.7 million m^3

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PARTICLEBOARD

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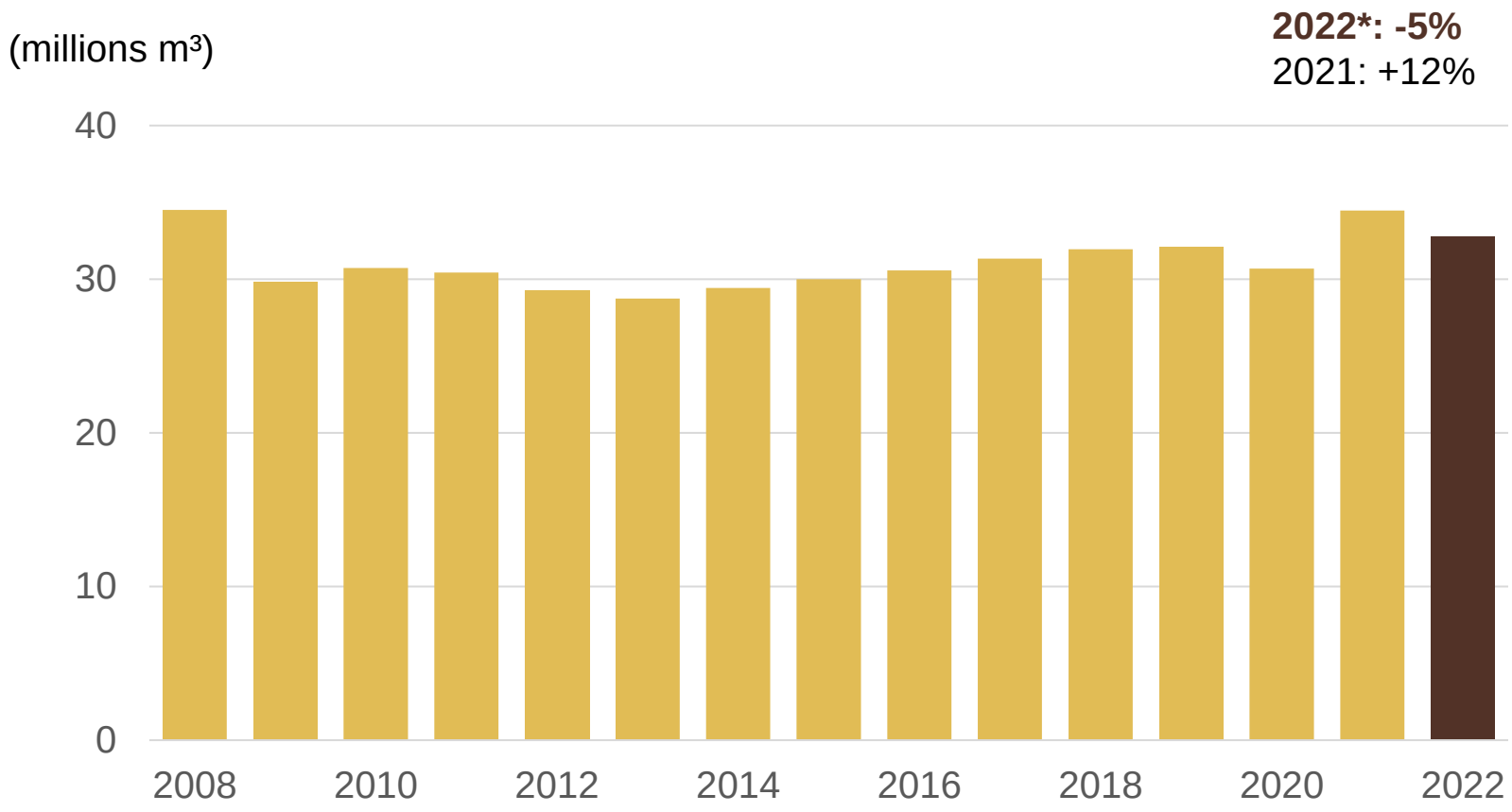
Particleboard Production in EU27+UK+EFTA



In 2022*: 32.8 millions m³

** estimation*

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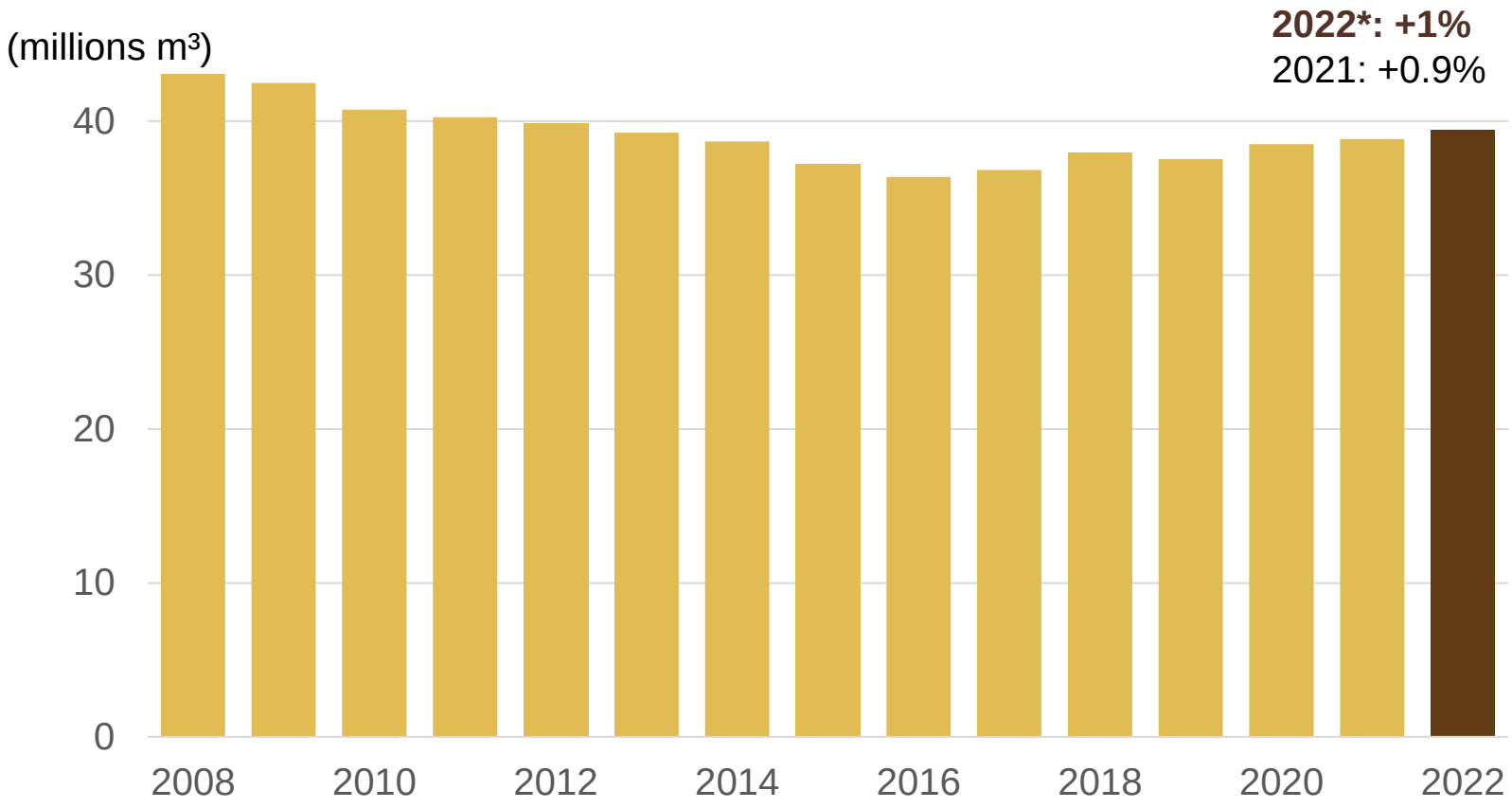
Particleboard
Production capacity in EU27+UK+EFTA



In 2022*: 39.4 millions m³

** estimation*

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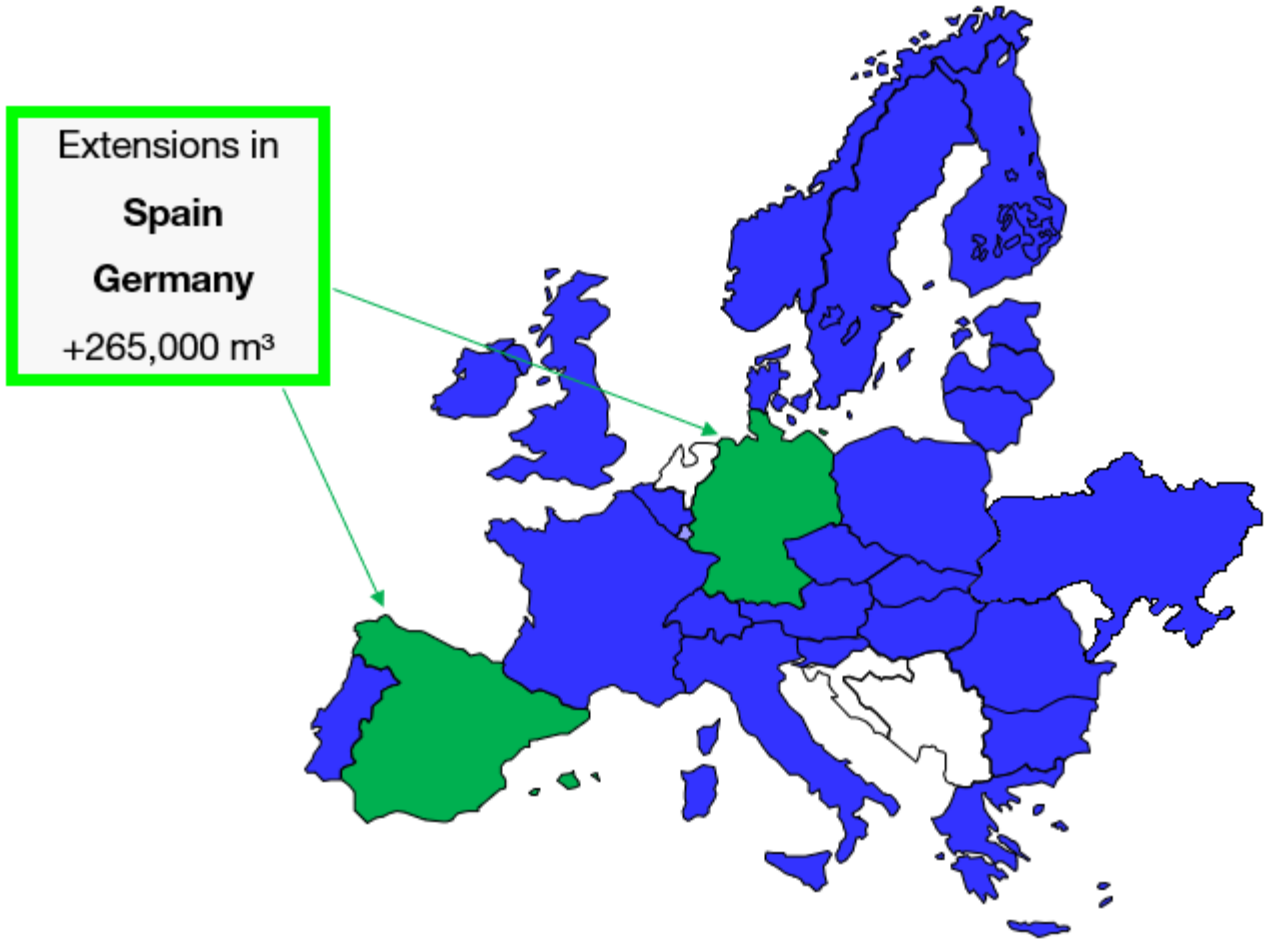
Particleboard Announced Plant Extensions in 2022



Total: 265,000 m³ (+1%)

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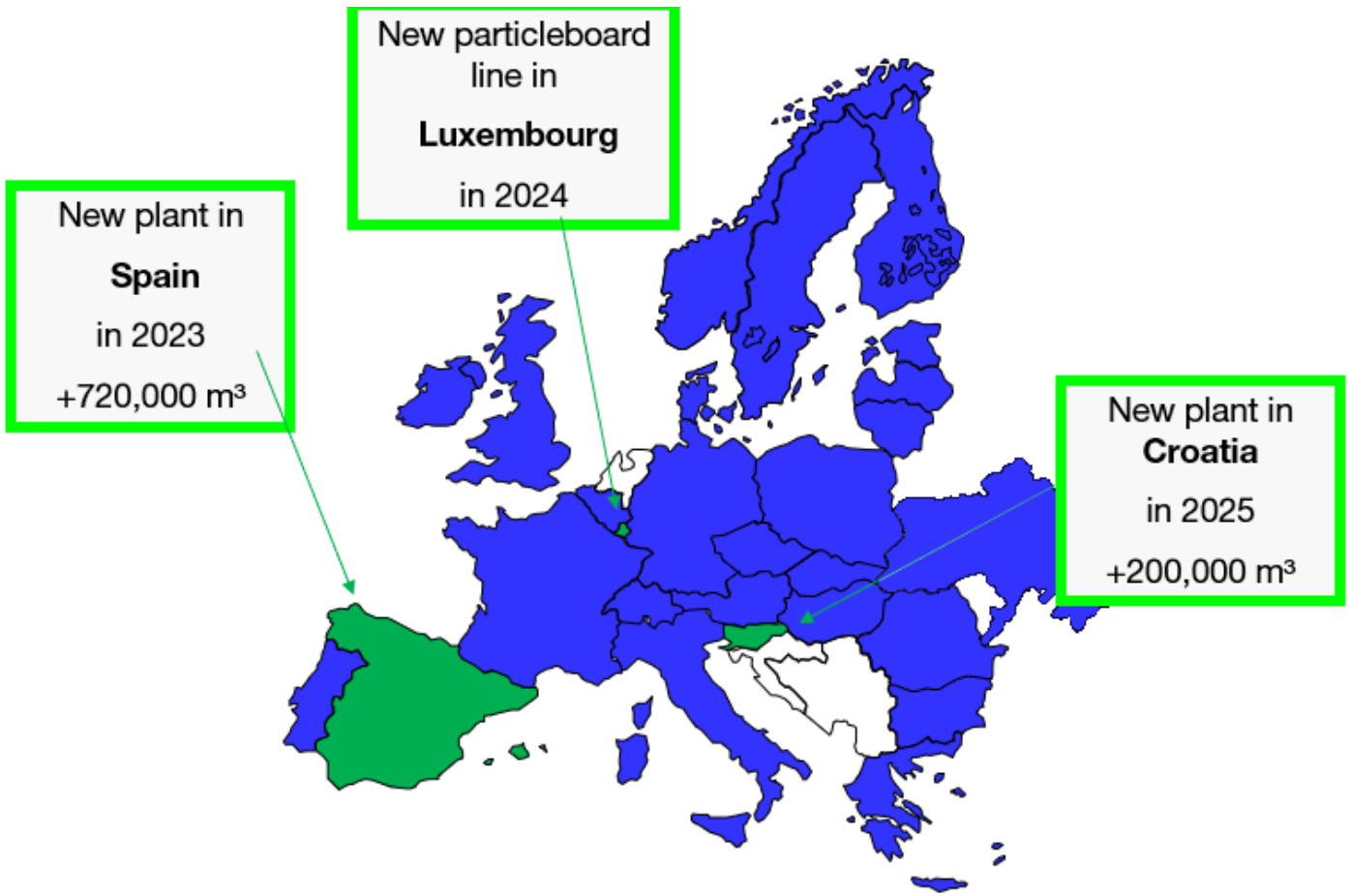
Particleboard Announced New Capacities in 2023 and beyond



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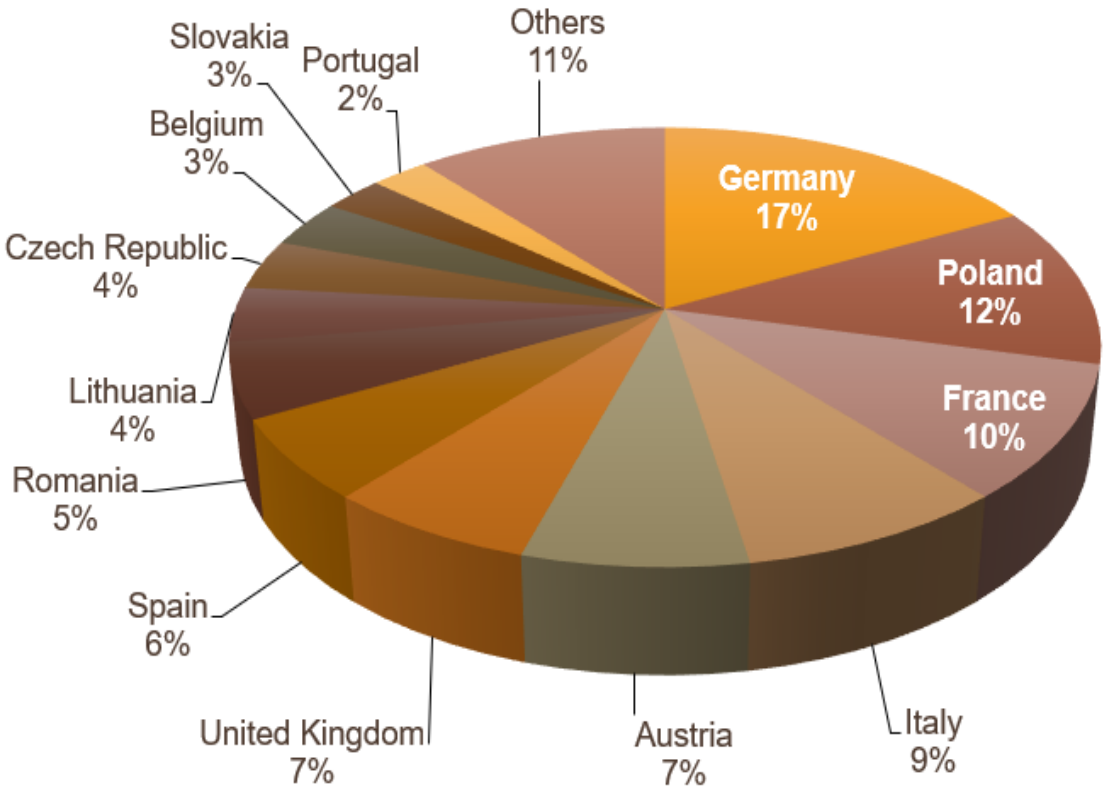
Total: at least 900,000 m³ (+3.3%)

Share of Particleboard Production by Country 2022



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MDF

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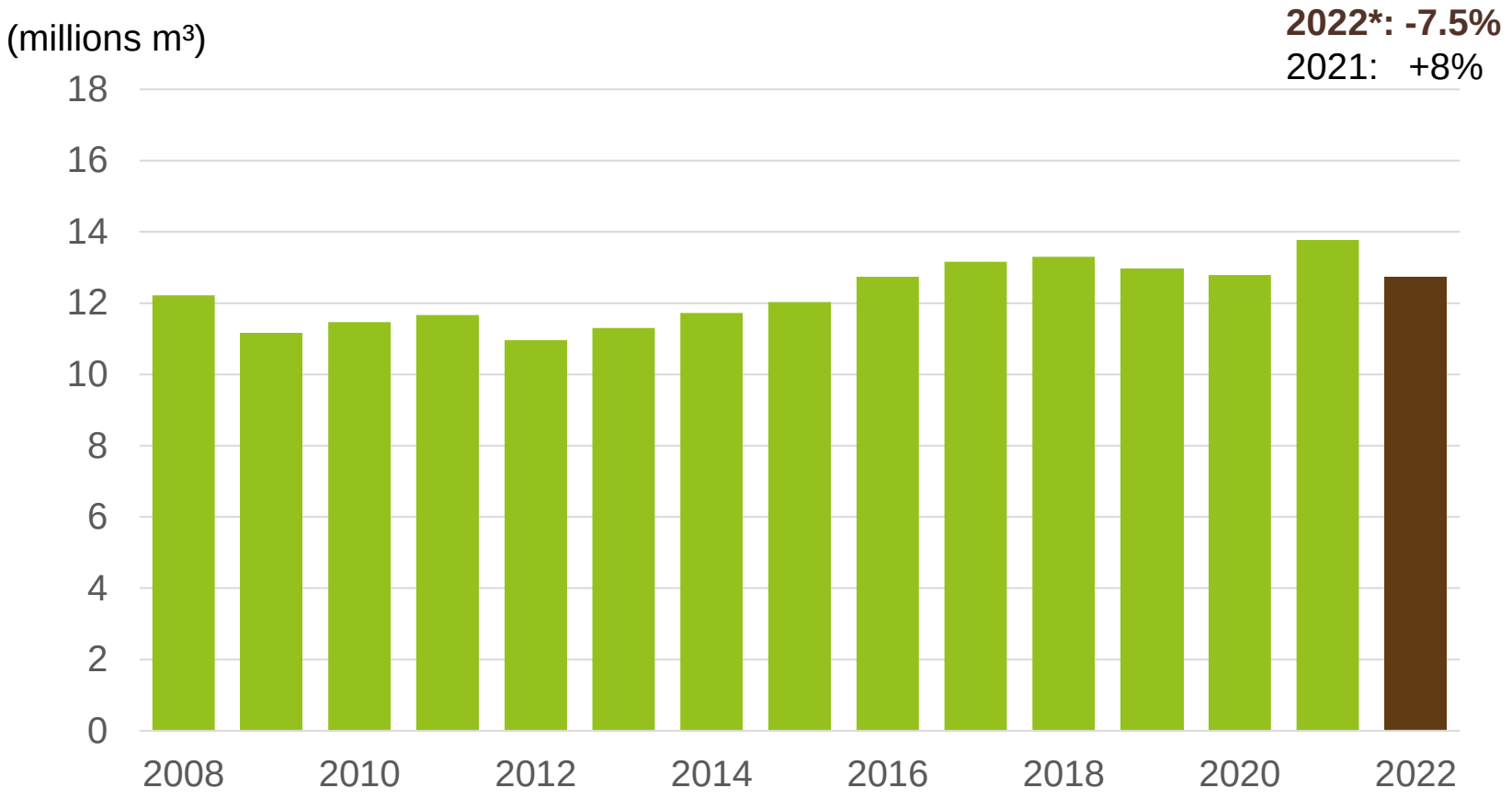
MDF – production in EU27+UK+EFTA



In 2022*: 12.7 millions m³

** estimation*

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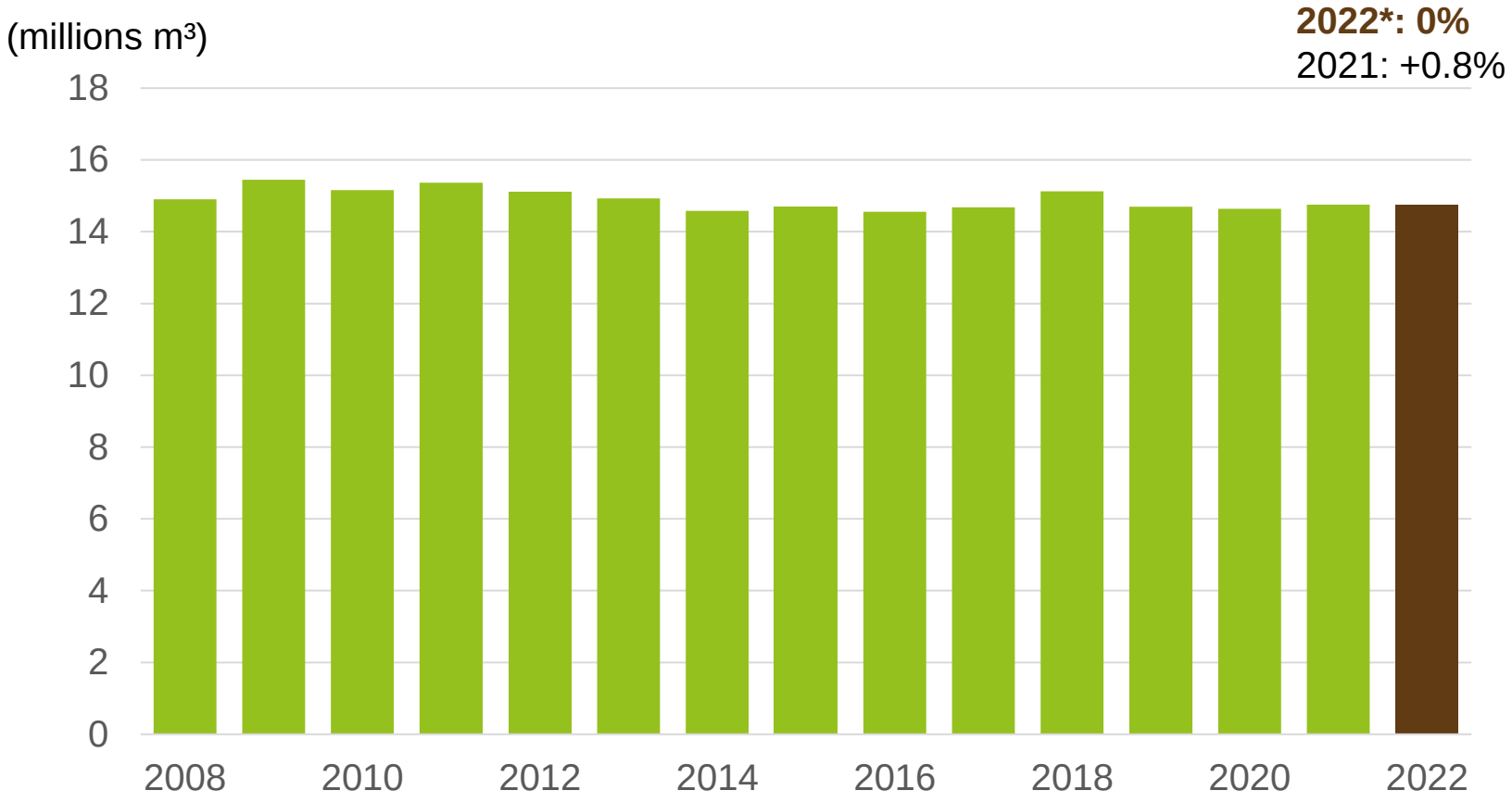
MDF – production capacity in EU27+UK+EFTA



In 2022*: 14.8 millions m³

* *estimation*

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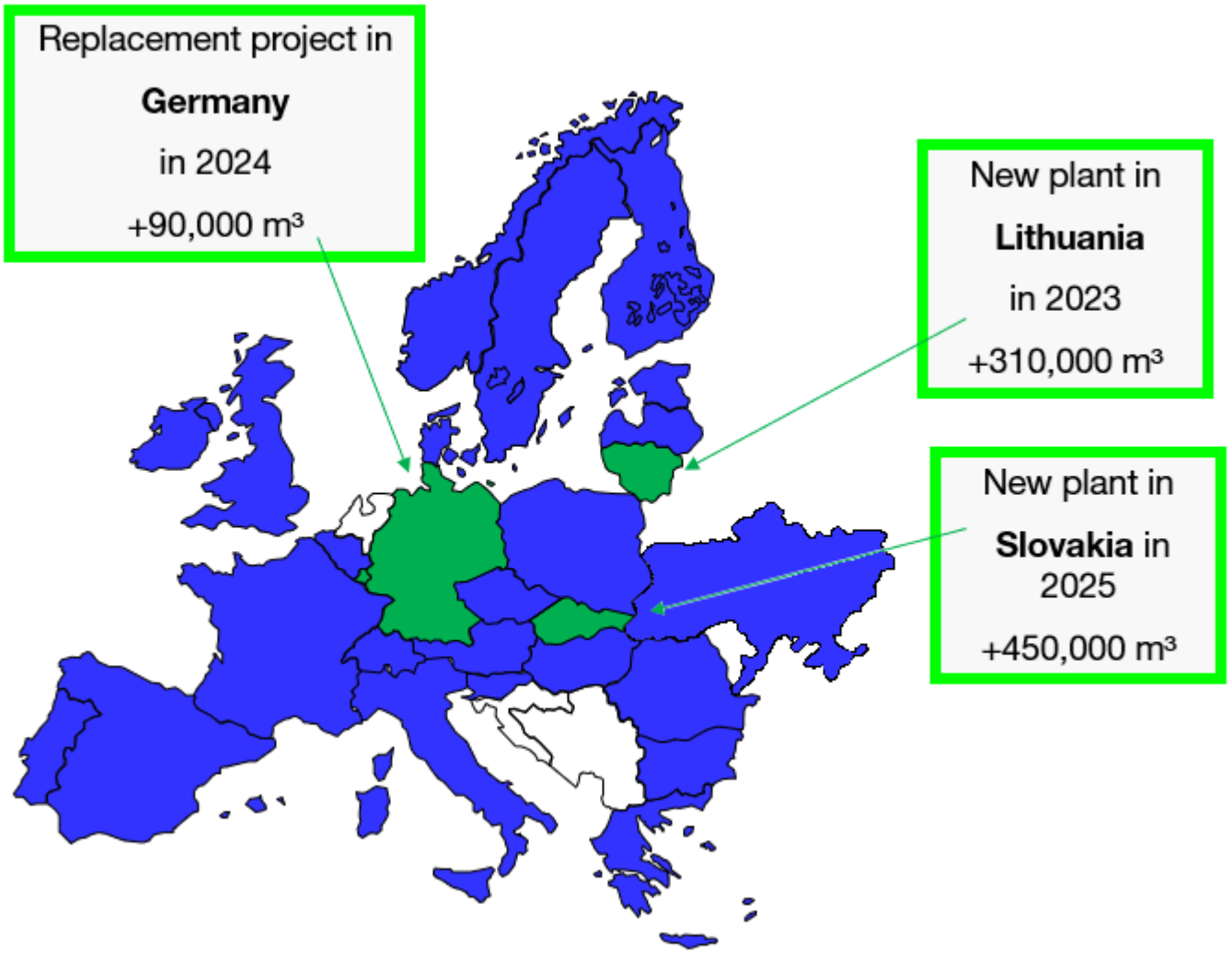
MDF Announced New Capacities and replacement projects in 2023 and beyond



Total: 850,000 m³ (+2.5%)

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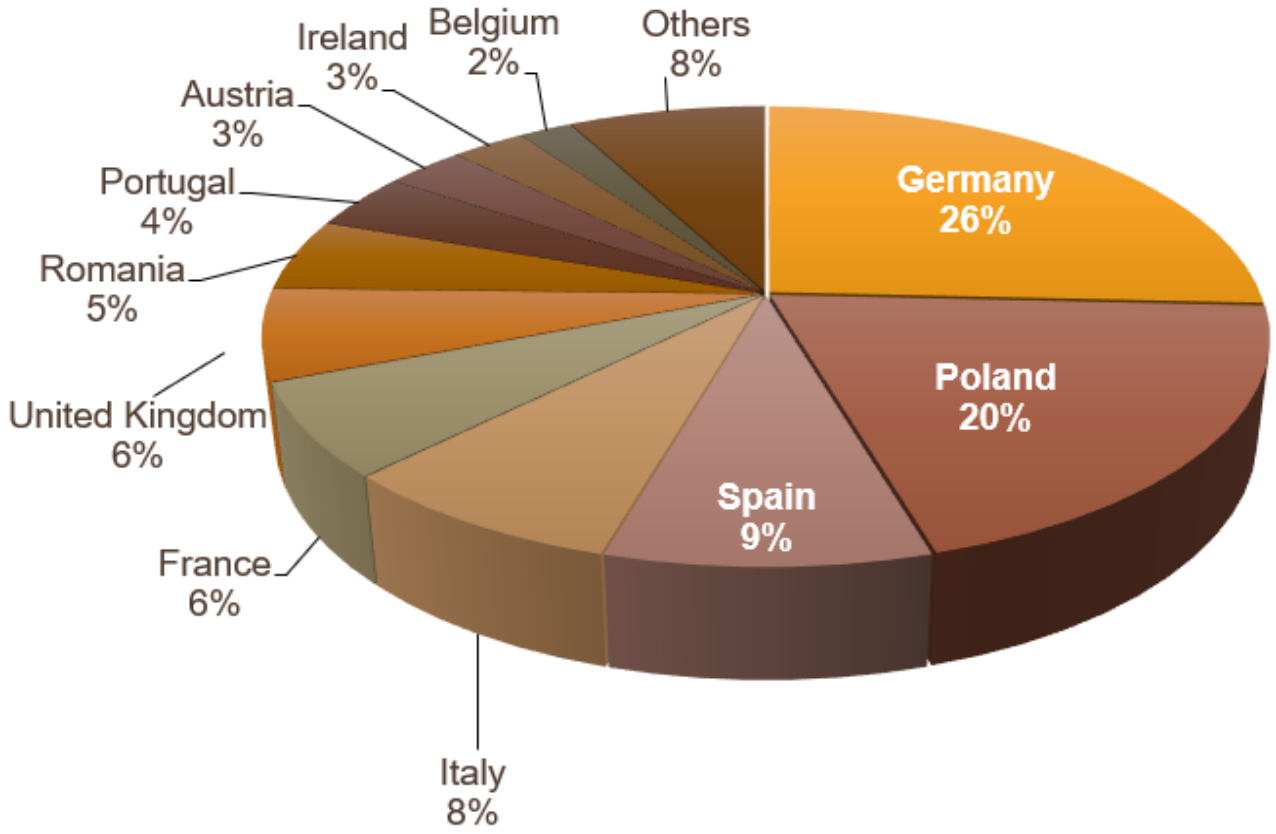
Share of MDF Production Capacity by Country 2022



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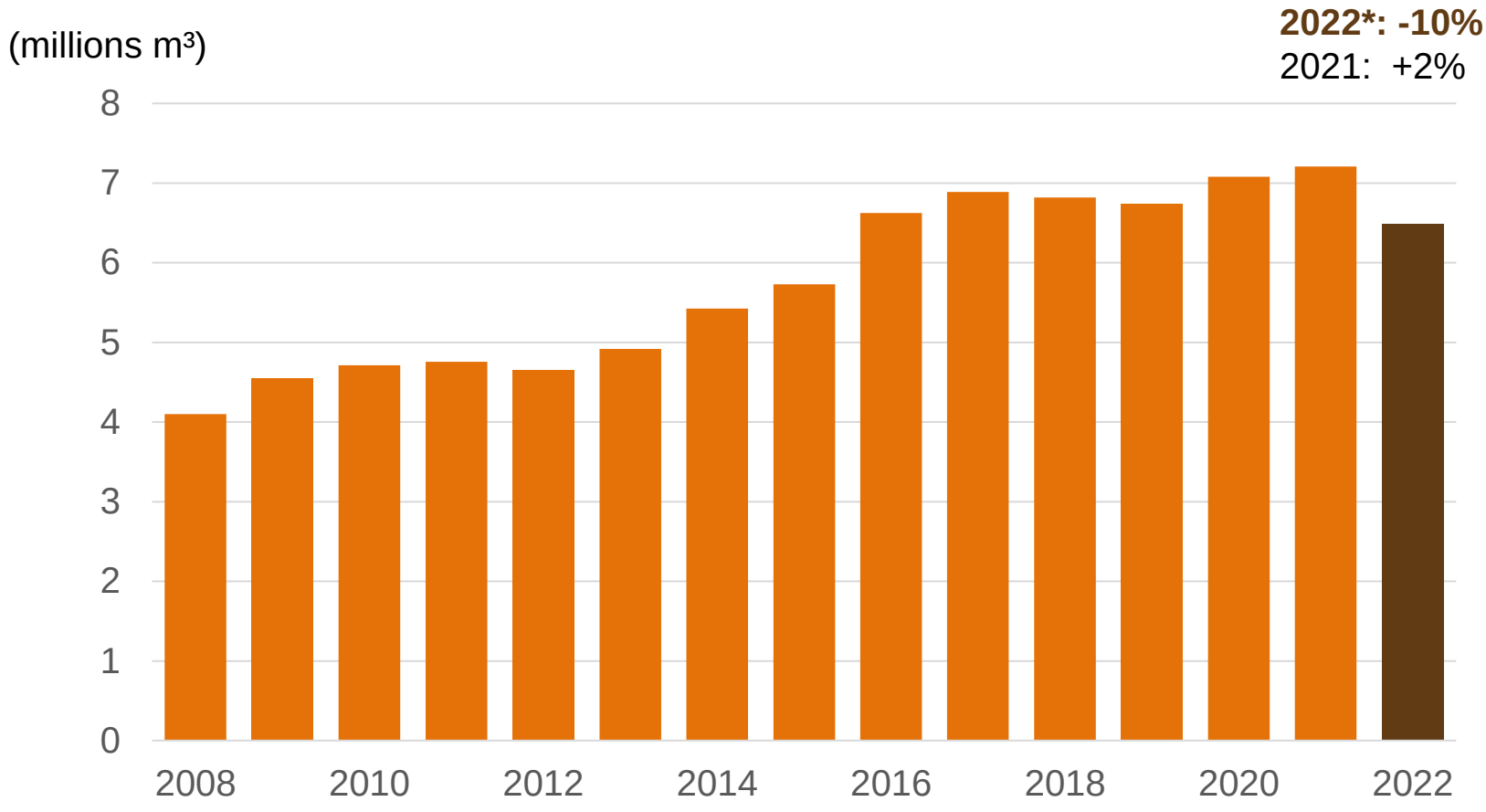
OSB

OSB
Production in EU27+UK+EFTA



In 2022*: 6.5 millions m³

** estimation*

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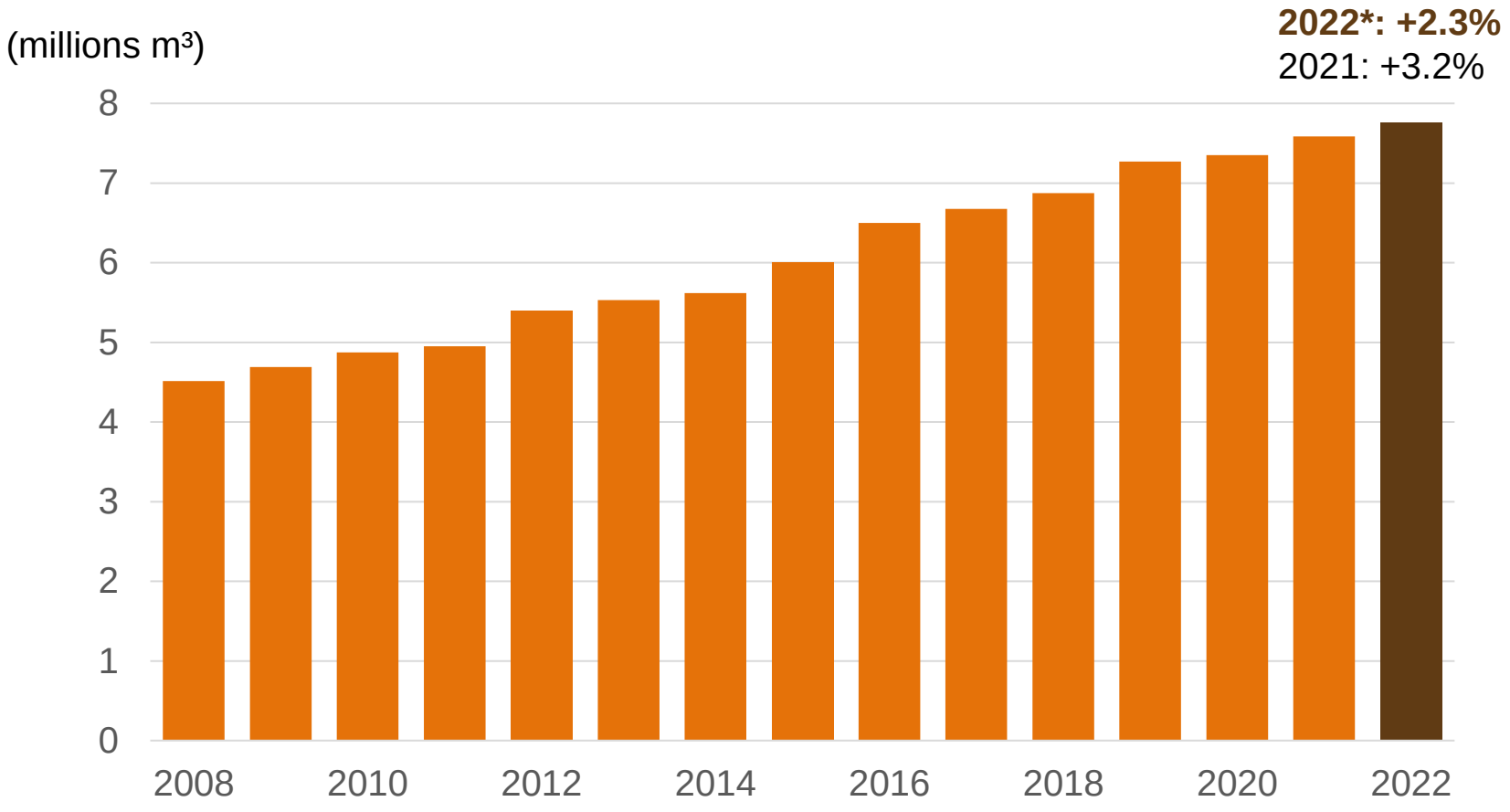
OSB
Production capacity in EU27+UK+EFTA



In 2022*: 7.8 millions m³

** estimation*

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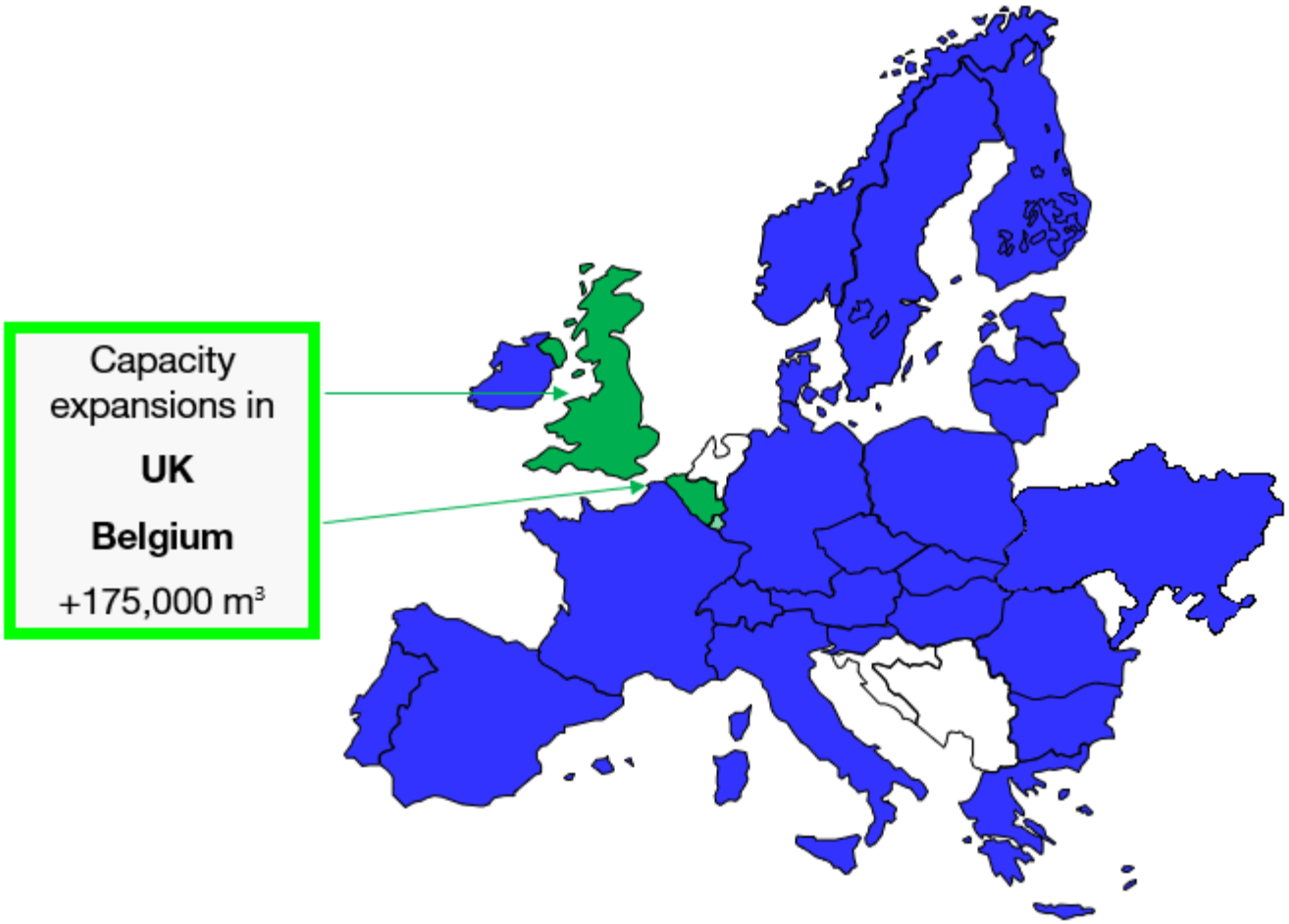
OSB Plant Announced Capacity Expansions in 2022



Total: 175,000 m³ (+2.3%)

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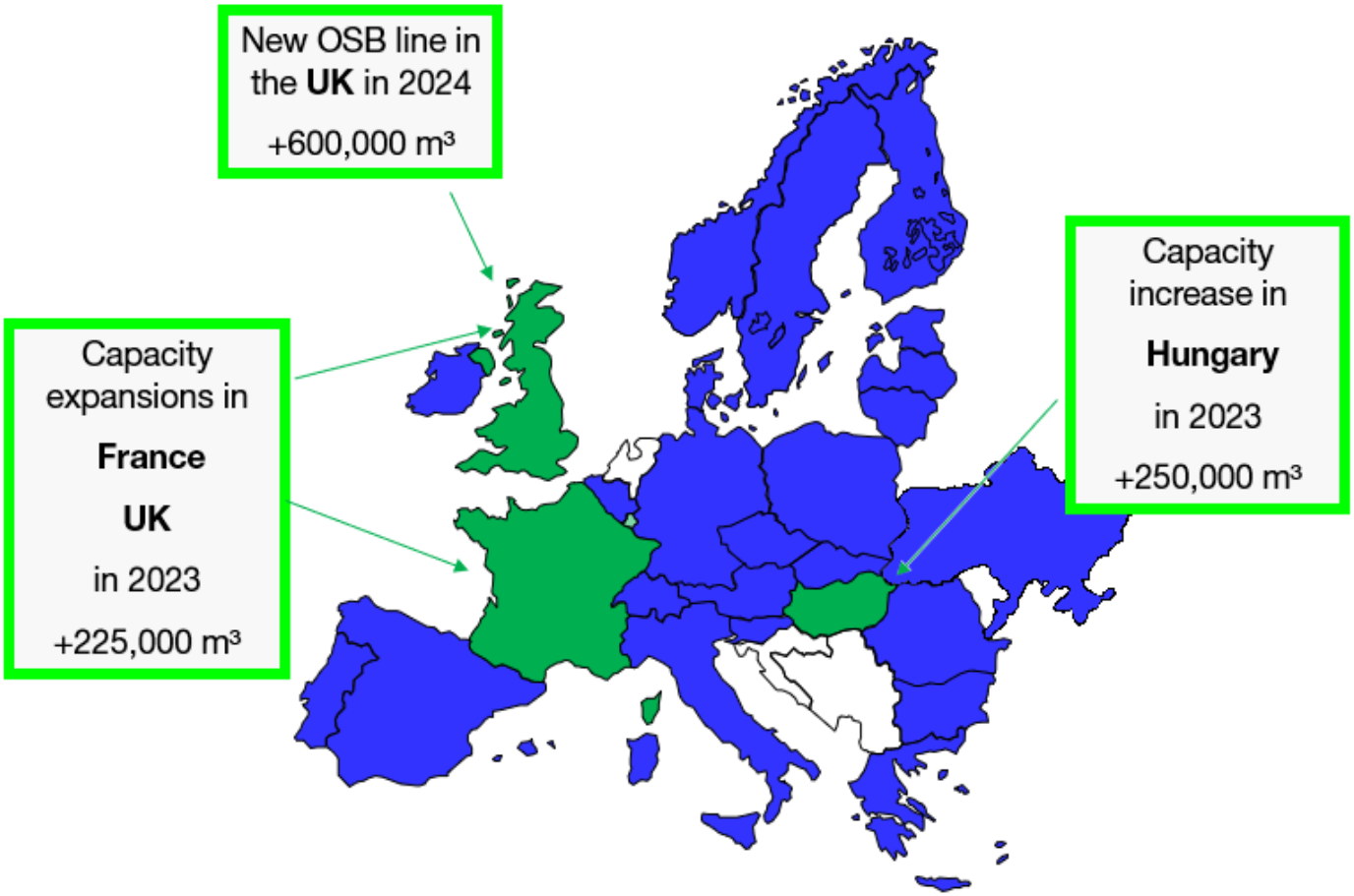
OSB Plant Announced New Capacities in 2023 and beyond



Total: +1.08 million m³ (+15% from 2022 levels)

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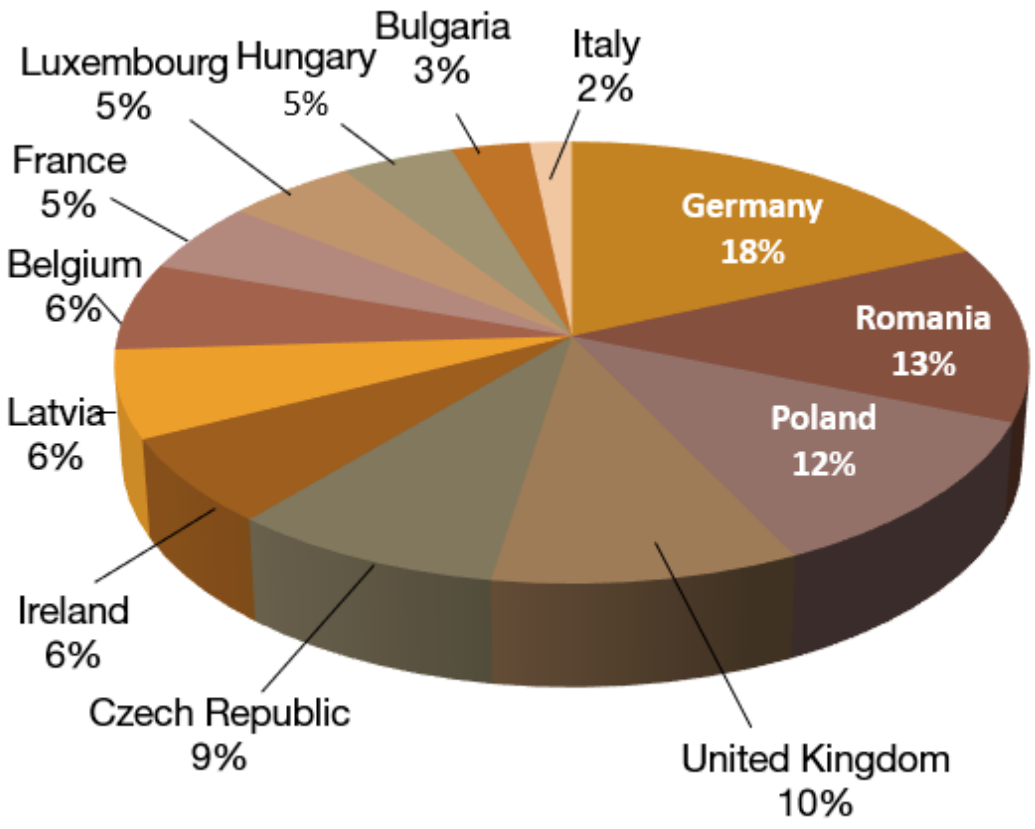
Share of OSB Production Capacity by Country 2022



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HARDBOARD

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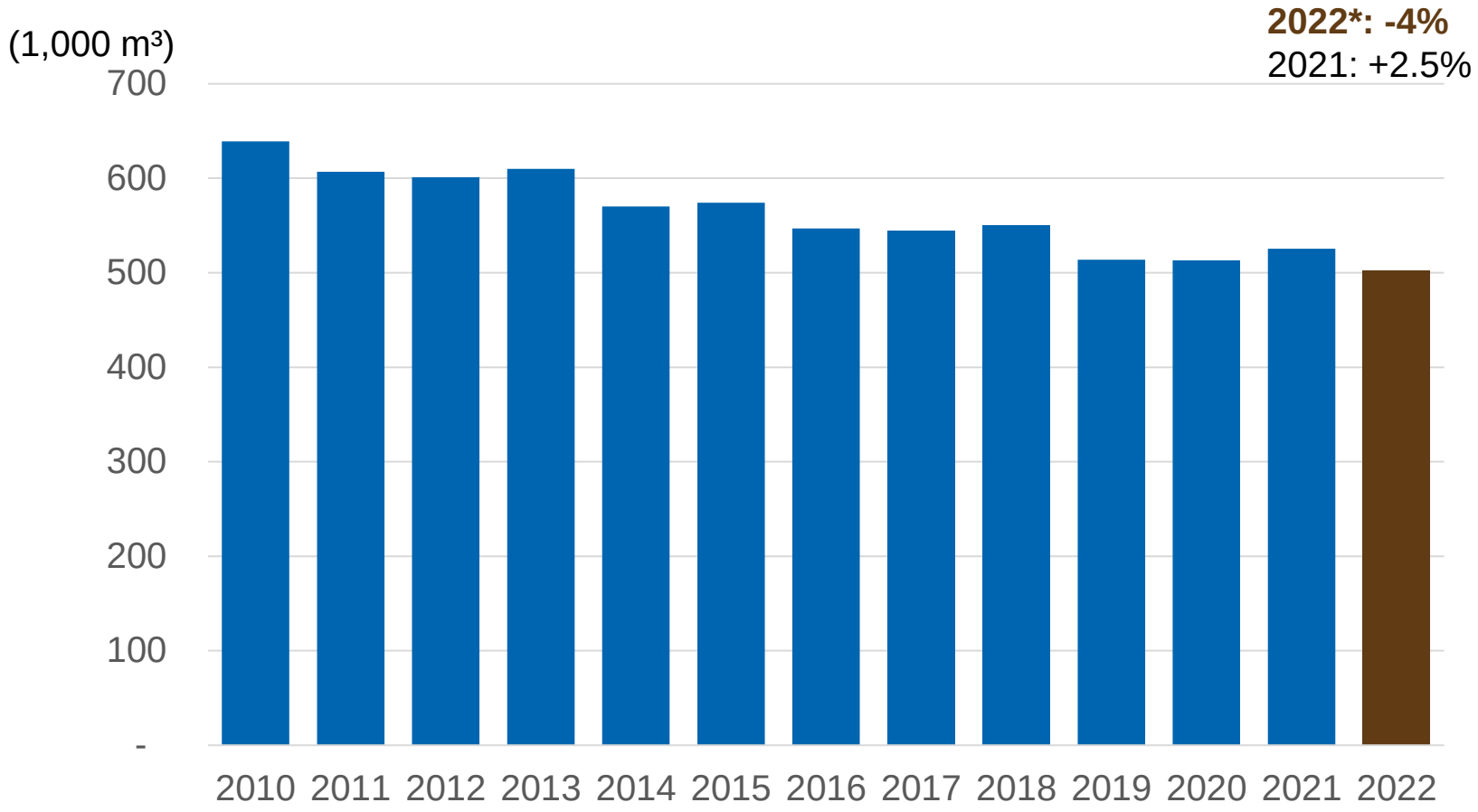
Hardboard – production in EU27+EFTA



In 2022*: 0.5 millions m³ * *estimation*

EU27 capacity: 0.7 million m³ (stable)

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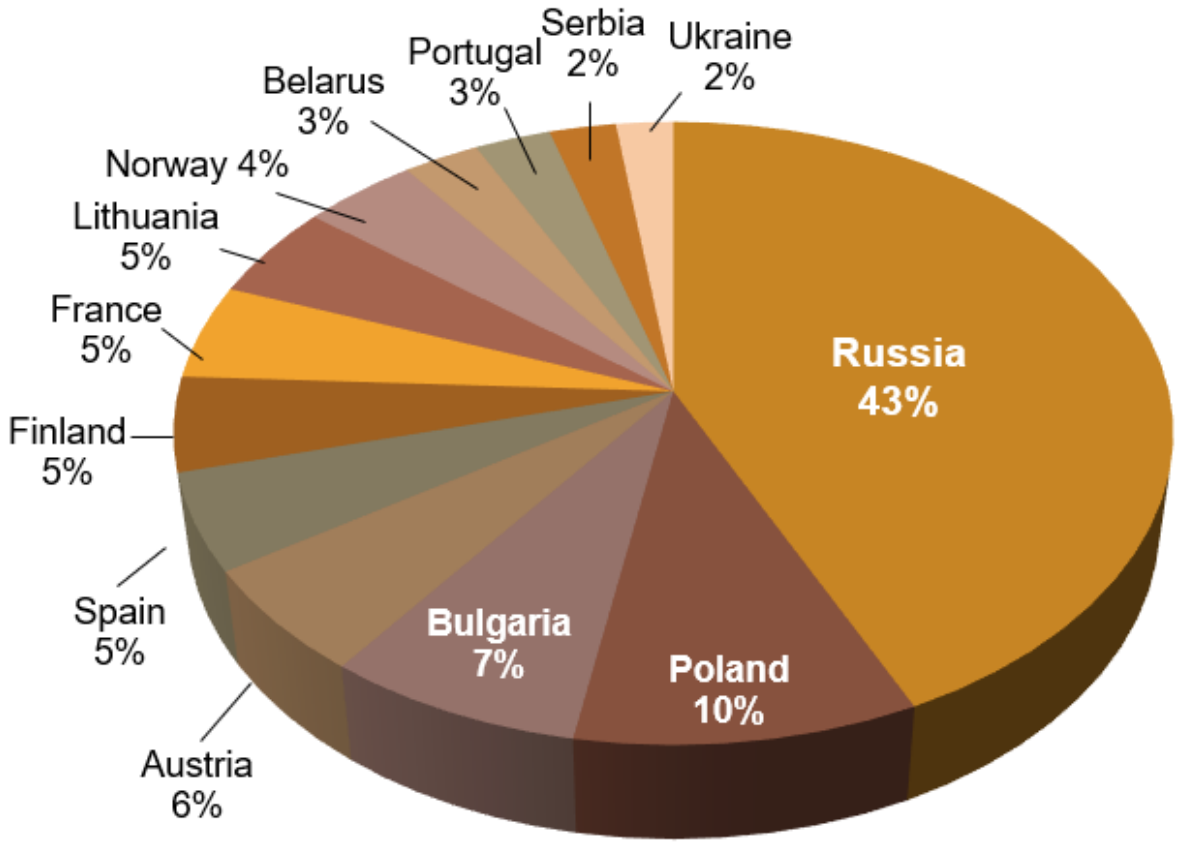
Share of Hardboard Production Capacity by Country (Including RU, BY, SR, UA) 2022



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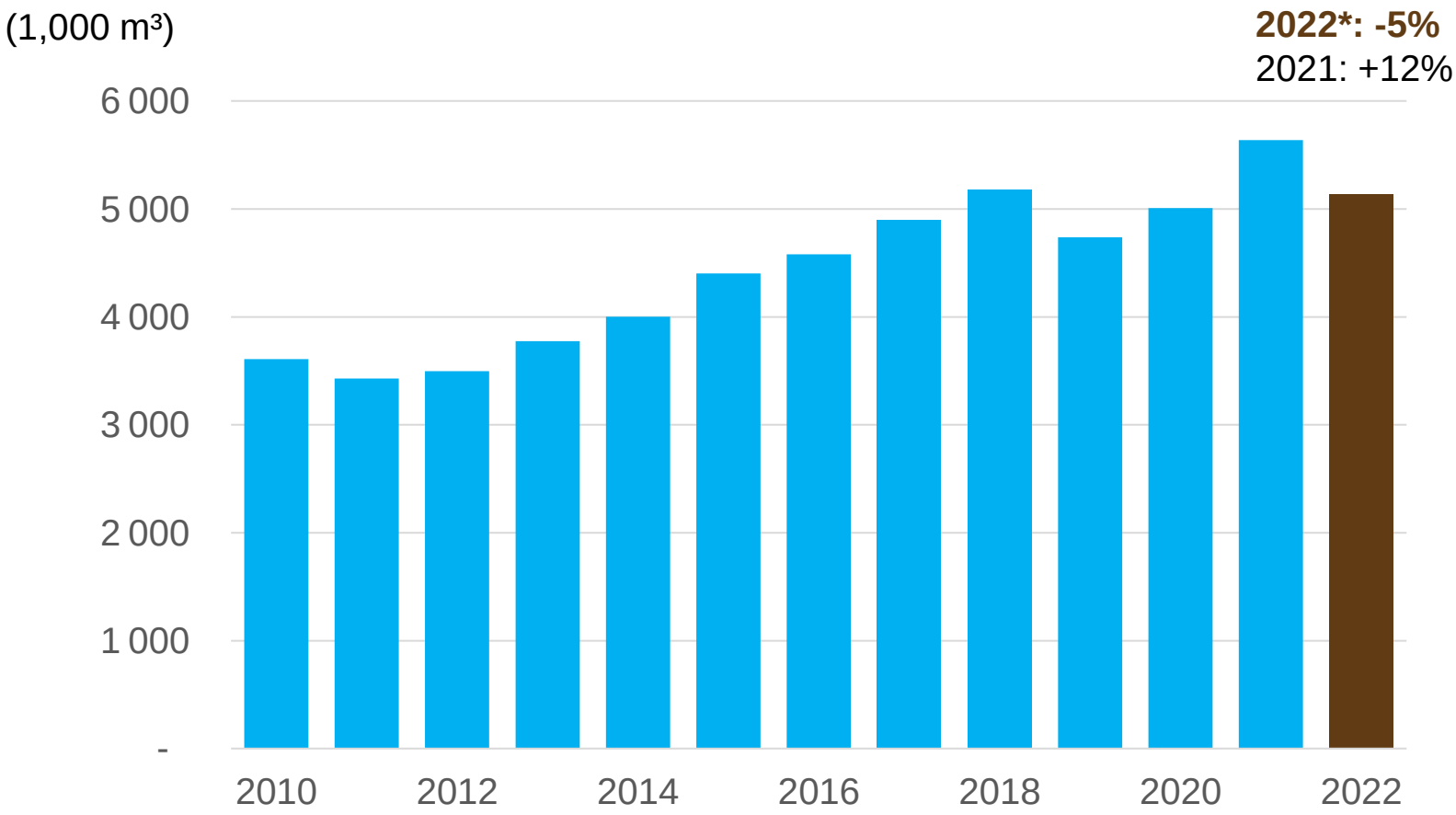
SOFTBOARD

Softboard Production in EU27+EFTA



In 2022*: 5.2 millions m³

* *estimation*

EU-27 capacity: 6.9 million m³ (+2%)

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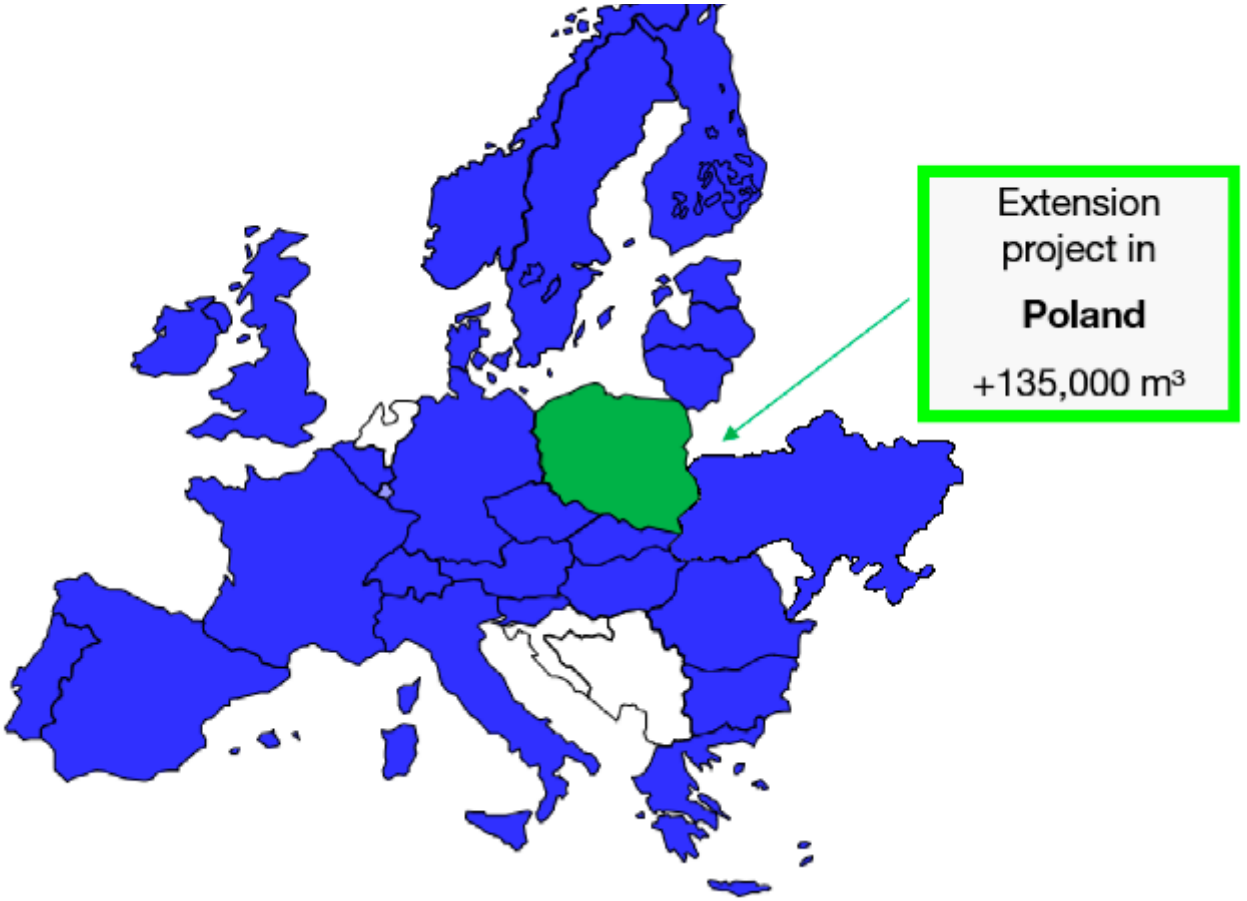
Softboard Announced Plant Extension in 2022



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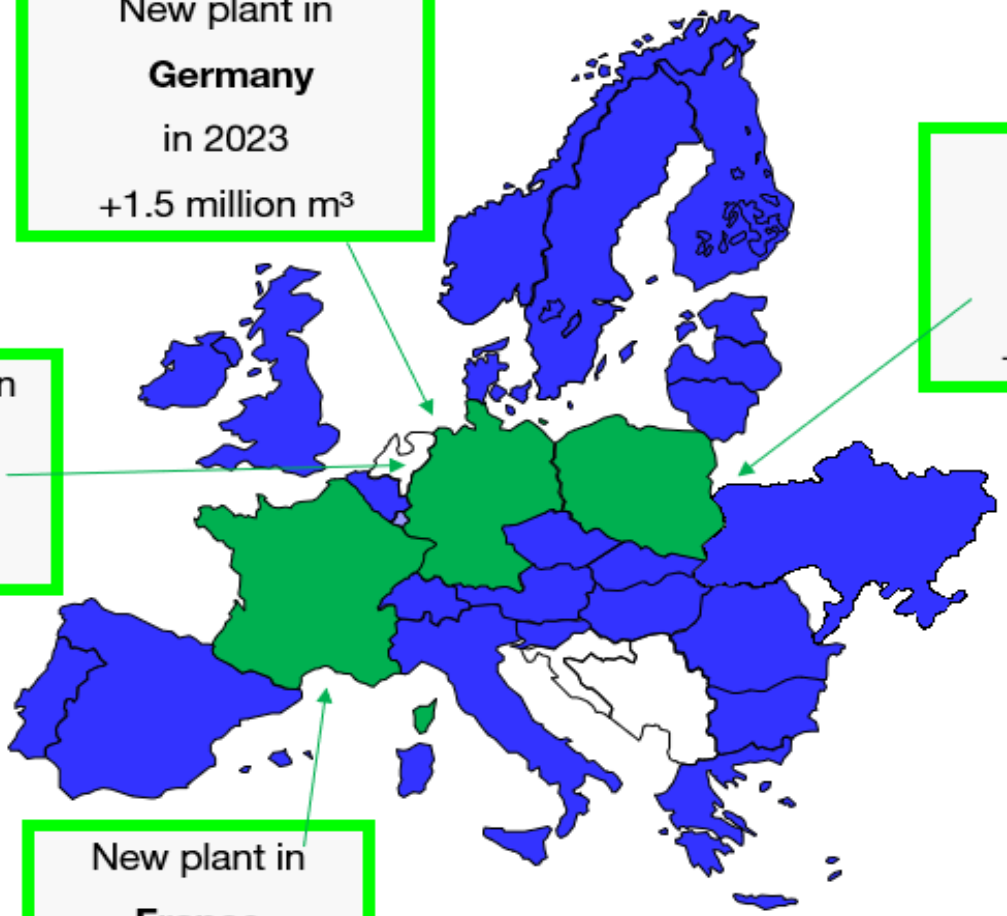
Total: 135,000 m³ (+2%)

Softboard Announced New Capacities in 2023 and beyond

New plant in **Germany** in 2023 +1.5 million m³

New plant in **Poland** in 2023 +1.5 million m³

New line in 2025 in **Germany** 100 million EUR investment



New plant in **France** in 2024 +110,000 m³

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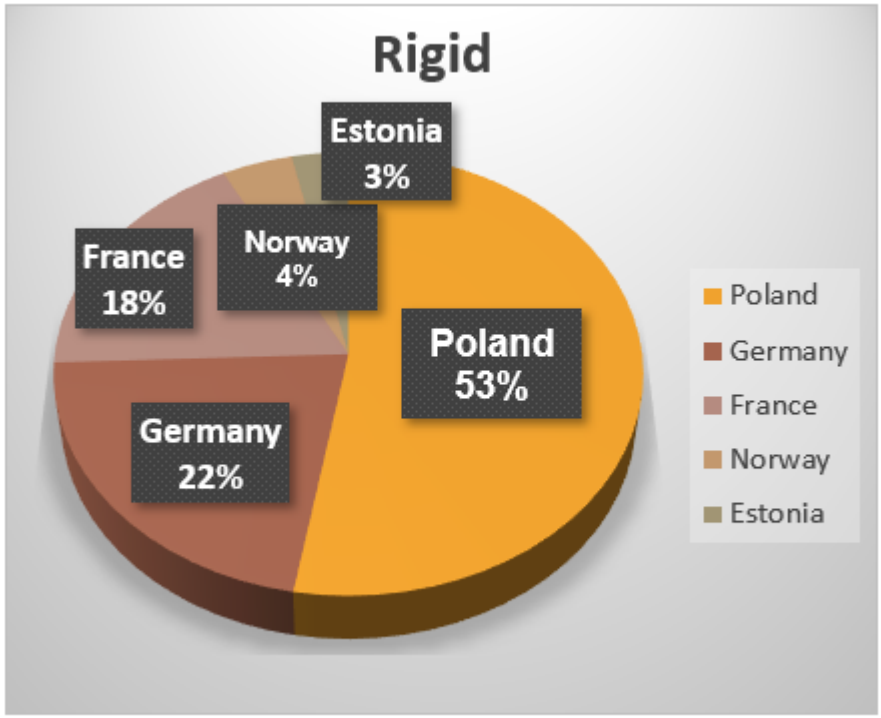
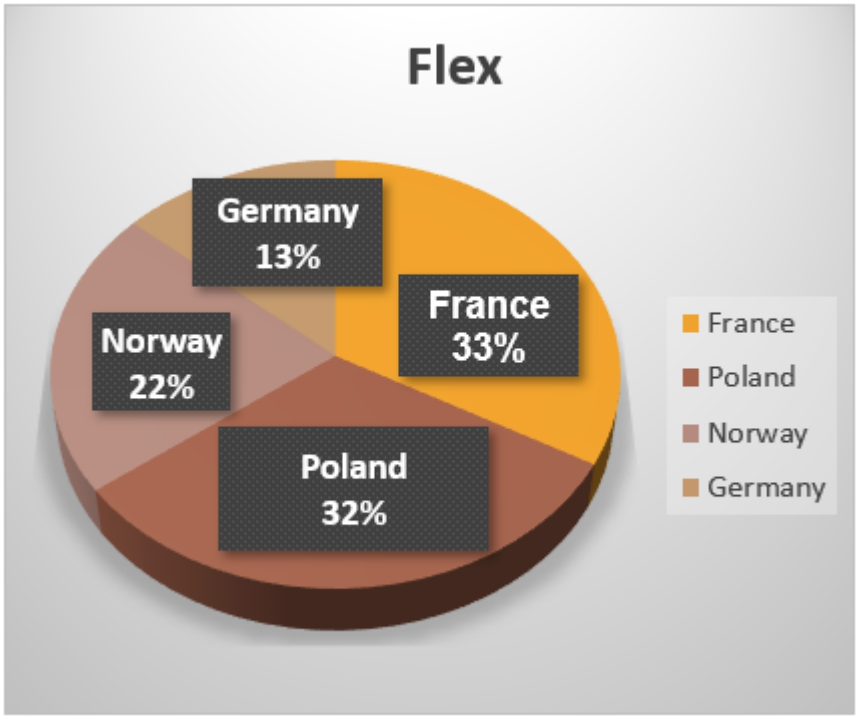
Total: +3 million m³ (+70% versus 2022)

Share of Softboard Production Capacity by Country 2022





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PLYWOOD

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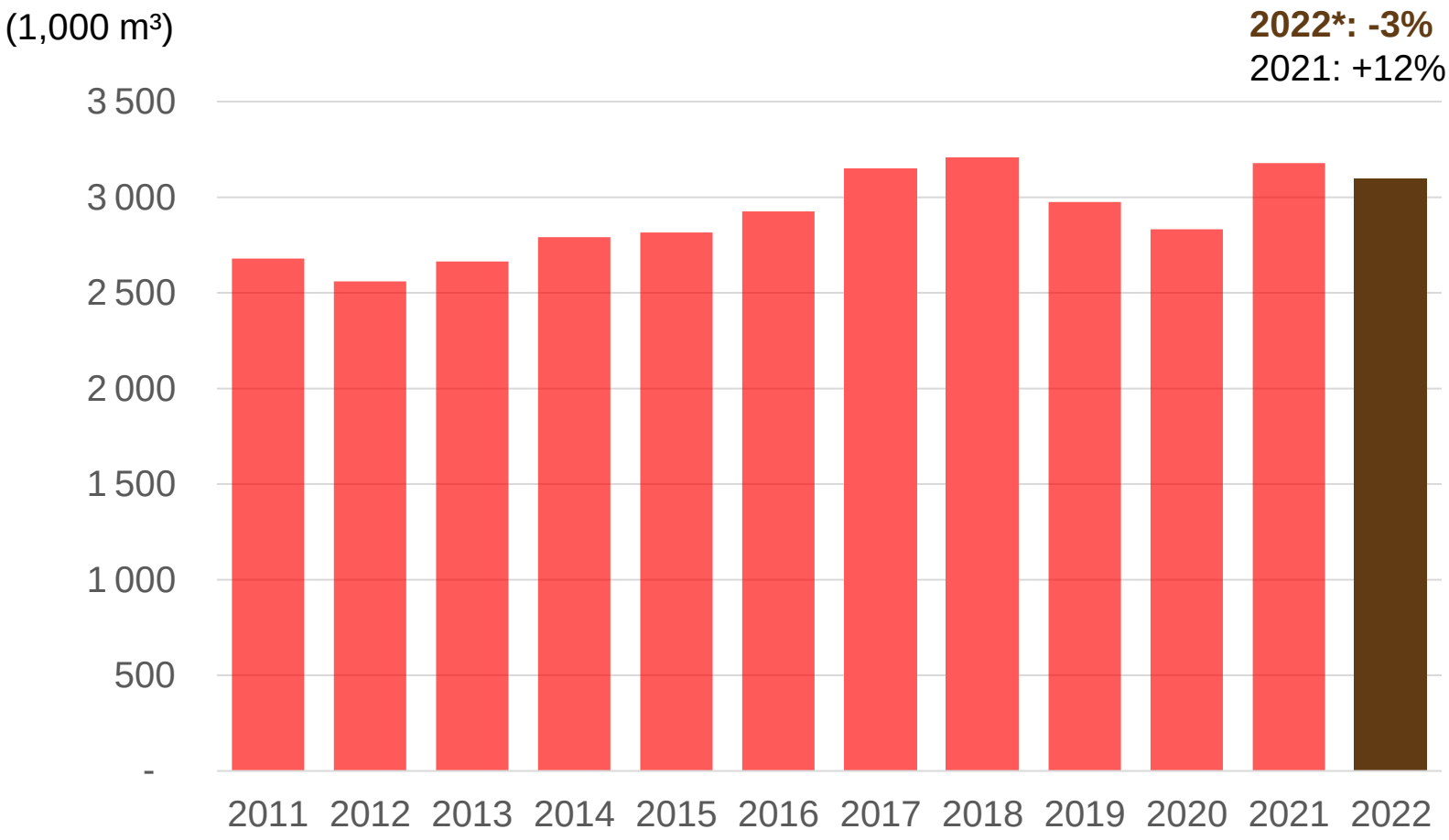
Plywood
Production in EU-27



In 2022*: 3.1 millions m³

* *estimation*

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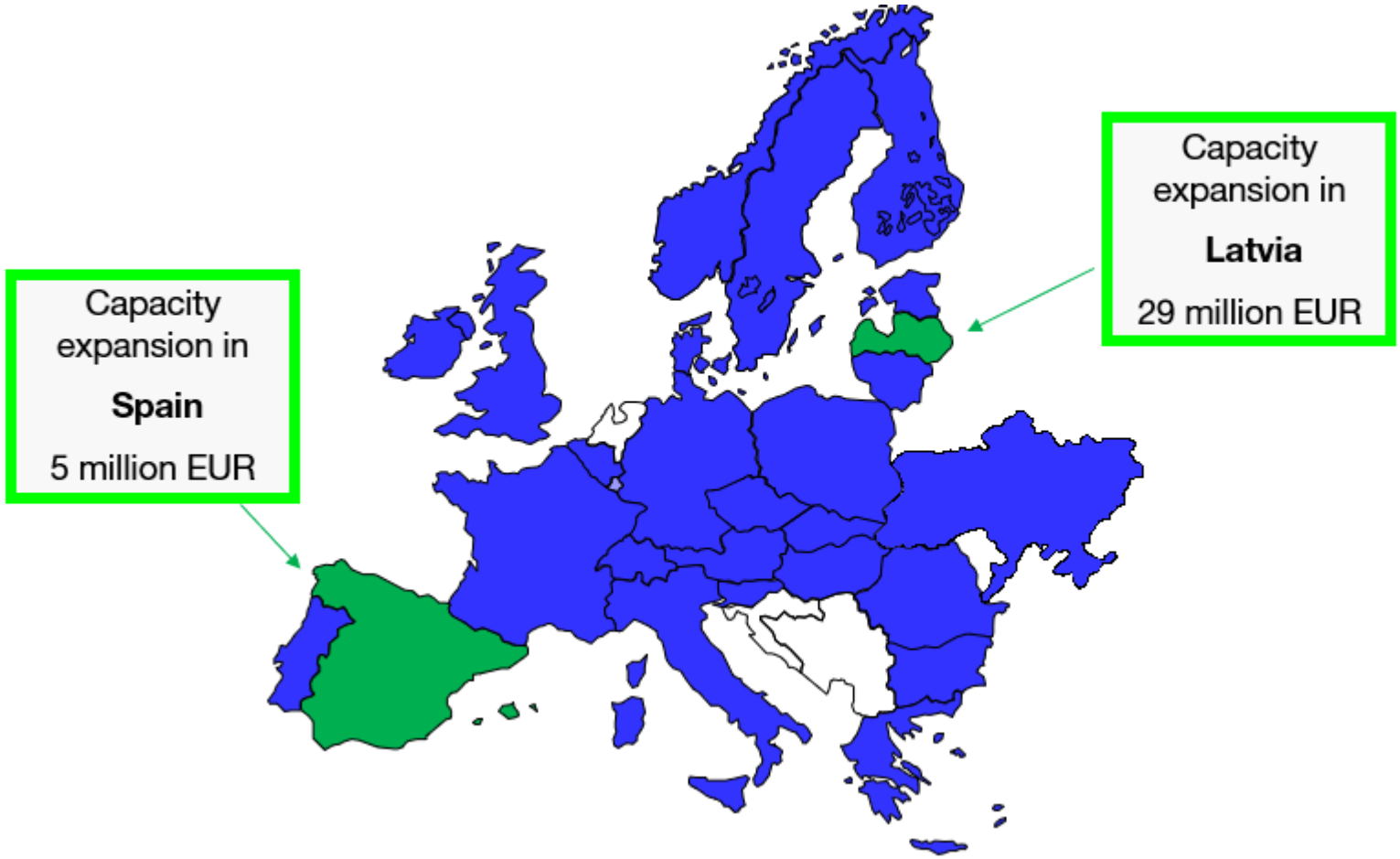
Plywood Announced Capacity Expansion in 2023 and beyond



There are several projects by European plywood producers to replace Russian birch plywood

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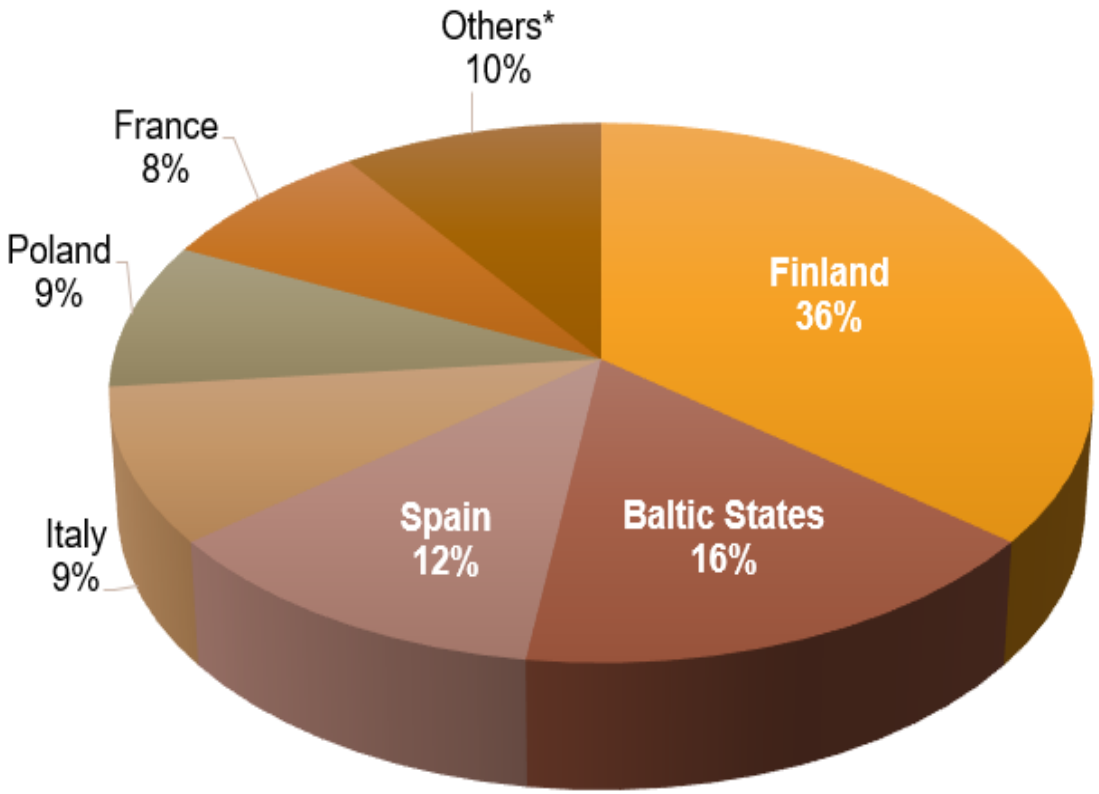
Share of Plywood production by country (EU-27 only) 2022



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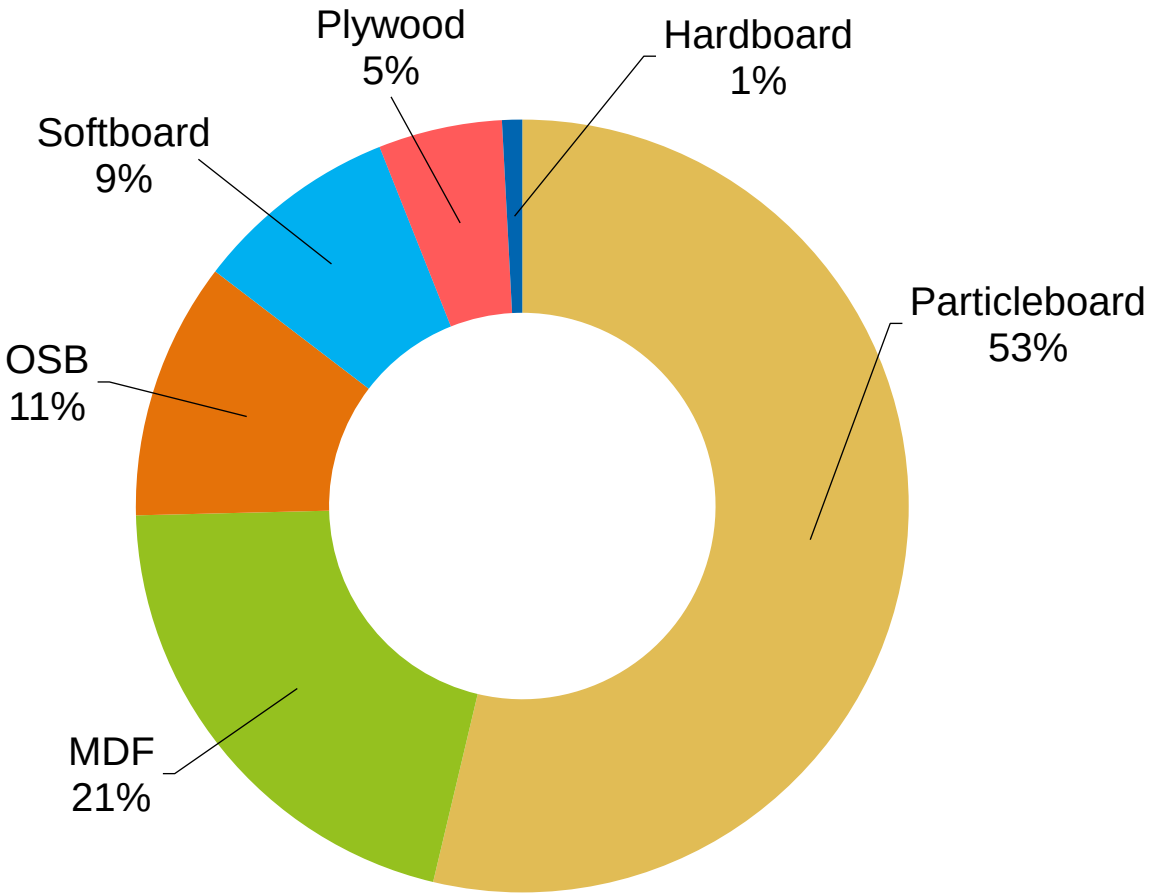
SUMMARY

Share of production per type in EU27+UK+EFTA, 2022



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Summary 2022*

Production (million m³)	Countries	2022	2021	22/21	22/19
Particleboard	EU27+UK+EFTA	32.8	34.5	-5.0%	2.0%
MDF	EU27+UK+EFTA	12.7	13.8	-7.5%	-1.7%
OSB	EU27+UK+EFTA	6.5	7.2	-10.0%	-3.7%
Hardboard	EU27+EFTA	0.5	0.5	-4.0%	-1.8%
Softboard	EU27+EFTA	5.3	5.6	-5.1%	12.9%
Plywood	EU27	3.1	3.2	-3.0%	3.6%
Total Wood-Based Panels		**60.9**	**64.8**	**-6%**	**+1.5%**

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* Provisional Only

Outlook 2023

- Despite declining from the peak, energy prices remain elevated
- Higher financing costs as a result of rising interest rates
- Uncertainty around the consequences of the current banking turmoil on the real economy
- Consumer confidence remaining poor: construction and furniture markets being affected

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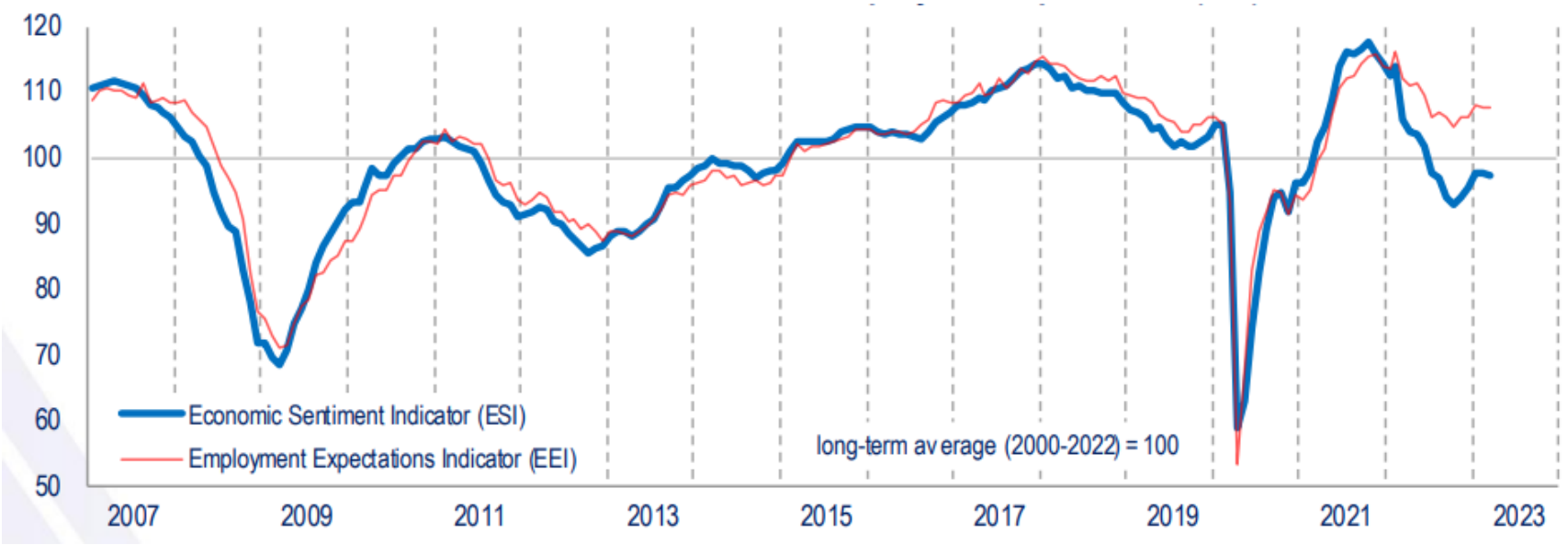
Economic Sentiment Indicator in EU March 2023



- Economic sentiment indicator: still below long-term average
- ❑ Consumer confidence: poor
- ❑ Industrial confidence: declining
- ❑ Construction confidence: declining

Source: EU Commission

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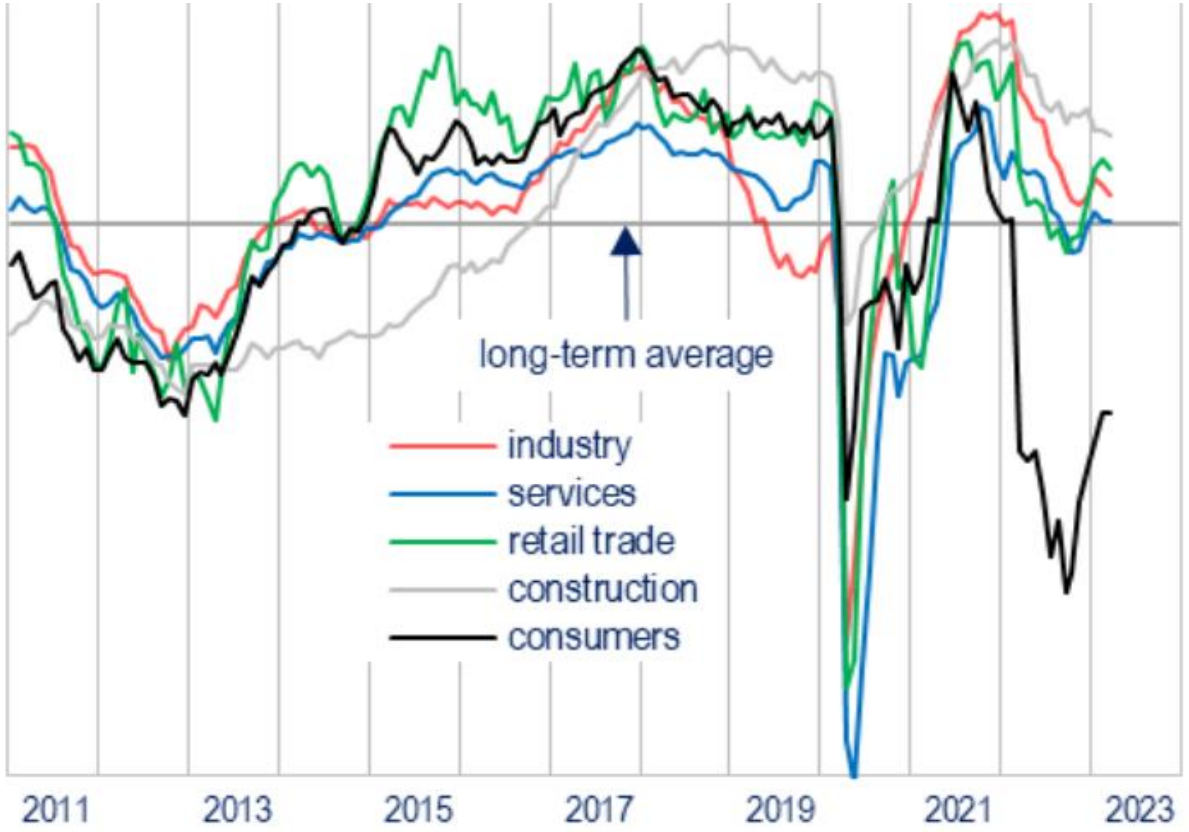
Consumer confidence remaining well below their long-term averages in early 2023



Source: EU Commission

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ADVOCACY
STRATEGIC DIRECTIONS

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5 Strategic Directions

VIDEO

role model industry

climate

wood availability

harmonisation

regulation

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❑ Transforming Europe into a net-zero economy

- Carbon neutrality
- Resource efficiency
- Safe & fulfilling career
- NEB

❑ Make climate regulation work for our industry

- Cascade use
- Natural carbon storage effect
- Green Deal

❑ Secure access to our key raw material

- How much?
- Use?
- Sufficient?

❑ Support one harmonised Europe

- Standards
- Common LCA

❑ Defend the industry against excessive regulation

- *Appropriate, effective and fair*

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ADVOCACY
STRATEGIC DIRECTIONS
5 Highlights

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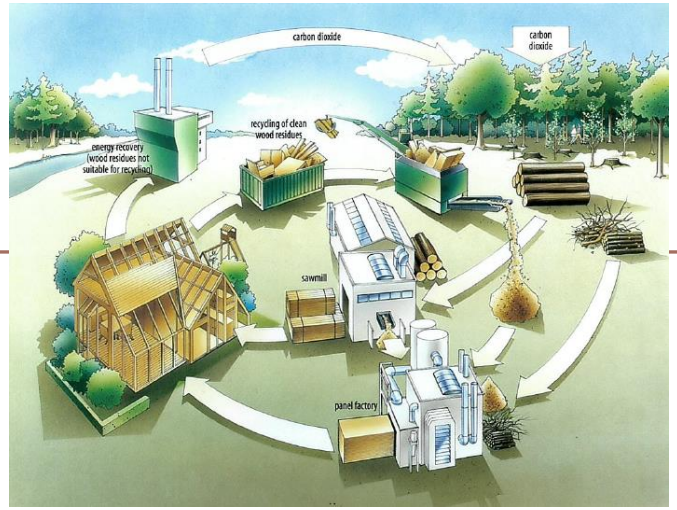
Highlight 1
Cascade in legislation (RED III)
(5SD - Climate)



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3 positive changes in RED III

1) **Cascade in legislation for the first time** - woody biomass to be used according to its highest economic and environmental added value (according to previous EC guidelines on good practice)
2) **Subsidies restricted** - Financial support will be banned for energy produced through the use of saw logs, veneer logs, industrial grade roundwood, and stumps and roots
3) **Sustainability criteria increased** – will apply to smaller installations (equal or above 7.5 MW) rather than the 20 MW threshold under the current directive

- But devil is in the detail and beware derogations for MS's ....

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Highlight 2
New European Bauhaus
5SD - Role Model Industry

New European Bauhaus

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EPF & Wood4Bauhaus Alliance - Recap

- **Sept 2020: President von der Leyen calls for use of wood to decarbonise the built environment (carbon source -> sink)**
- February 2021: EPF and Innovawood form Wood4Bauhaus Alliance as a community of industry, research and trade unions
- April 2021: 1200 delegates attend Wood4Bauhaus online conference calling to “Reforest our planet, retimber our cities”
- May 2022: W4B meets Shigeru Ban and Bauhaus Earth
- June 2022: InnoRenew hosts W4B side event of NEB Festival
- **June 2022: President VDL quotes Pope Francis’ call for greater wood in construction at NEB event in the Vatican**

Brussels 9 June 2022

Press release

Catholic Church and EU Commission President back using more wood in the built environment

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EPF & Wood4Bauhaus Alliance – Next Steps

- **W4B partner associated with host of NEBAcademy**
  - University of Primorska selected as host hub
  - Location also for W4B partner InnoRenew CoE
  - W4B to focus on biotic materials training module
  - Skills are critical to Role Model Industry



- **NEB to be focal point of EPF AGM in Santiago**
  - Open Part dedicated to NEB
  - Introduction from European Commission
  - 2 roundtables (construction & furniture)
  - Guest speaks from value chain
  - Focus on Iberia
  - Making NEB a transformative project
  - Support of W4B and online streaming expected



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New European Bauhaus @ EPF AGM Part 1

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anfta
Asociación Nacional Fabricantes de Tableros

Santiago de Compostela
EPF 2023

DRAFT PROGRAMME
Meeting of the Open Part of the EPF Annual General Meeting 2023
Friday 23 June 2023 from 9 am – 3.45 pm
Ciudad de la Cultura de Galicia, Edificio Fontán, Santiago de Compostela

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09:00 **Welcome to the EPF Open Session**
Mayor of the City of Santiago de Compostela
Mrs Elisa Ferreira, EU Commissioner for Cohesion and Reforms
Mr Martin Brettenthaler, CEO SWISS KRONO Group and EPF Chairman
Mr Celestino Vázquez, ANFTA President

09:30 **EPF results 2022 and Advocacy Programme 2023**
Mr Clive Pinnington, EPF Managing Director
Mr Kris Wijnendaele, EPF Technical Director

10:00 **Presentation on the New European Bauhaus (NEB)**
Mr Marcos Ros Sempere, Member of European Parliament, Rapporteur on NEB

New European Bauhaus @ EPF AGM Part 2

11:00 **Roundtable 1: NEB in Buildings and Construction**

NEB is improving how we live. Materials are integral to this, allowing the built environment to transition from a carbon source towards a carbon sink. This panel, featuring **speakers from the European Commission, the European Parliament, architecture and a leading research institute**, will discuss how wood and wood-based panels can positively influence beauty, sustainability and togetherness in line with NEB goals.

12:15 **Roundtable 2: NEB in everyday life, especially furniture and trends in housing**

After the pandemic, many habits have dramatically changed. This panel, including **speakers from furniture related industries** will share analysis of the new ways of living and working as well as to exchange views on its impact on how we live in our homes and decorate them, with a focus on trends. Bioeconomy, circularity, and wood recycling will be at the heart of these discussions.

13:45 **Closing Remarks**
Mr José González Vázquez, Counsellor of the Ministry of Rural Environment of the regional Government of Galicia (Xunta de Galicia), Spain
Mr Martin Brettenthaler, CEO SWISS KRONO Group and EPF Chairman
Mr Celestino Vázquez, ANFTA President

14:00 **Lunch reception in the hall of the Edificio Fontán**

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Highlight 3
Material Use of Wood (45 -> 60%)
5SD – Wood Availability



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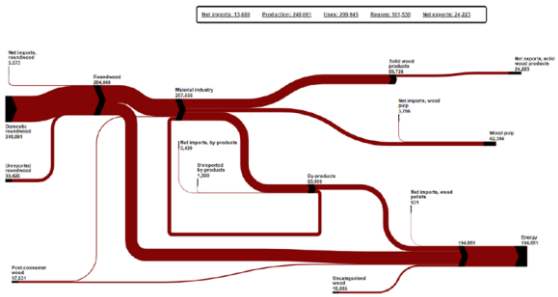
Material use of wood must go up!



- EPF met with the Deputy Director General Maive Rute of DG GROW to discuss wood availability.
- **How much wood is there?**
  - 500 million m^3 harvested in 2021 in EU-27 (Eurostat)
- **What is it used for?**
  - 27% for wooden products
  - 13% for paper and pulp
  - 60% for energy

Figure 9. Woody biomass flows in the-forest based sector, EU27, net trade, 2017 (1000 tdm).



Source: Biomass Flows (DataM, 2022)

- **Is it enough?**
  - Yes if we a) use it better (cascade) and b) plant trees (mobilise)
  - No, if we keep "burning the book of life before we have studied it...."

=>This is why EPF calls for material use to rise from 40-45% → at least 60%

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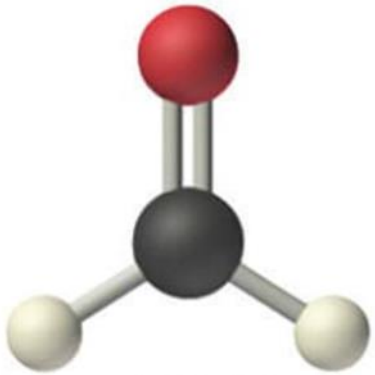
Highlight 4
Formaldehyde
5SD – Regulation (and Harmonisation)



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Formaldehyde - Restriction Finalised

- **Ceiling (E1 Compulsory) and EU low emission level (New Standard) targets for EPF since 2015**
- REACH (Registration, Evaluation, Authorisation and restriction of CHemicals) pathway. Long but effective
- Approved restriction proposal (**0.062 mg/m3 for wood-based articles**) sent February 2023 to EP and Council
- 3 months to review – if no veto, then de facto adopted
- Final restriction to be published in OJEU and transition periods start (3 years for articles / 4 years for vehicles)
- **Expected May-June 2023 (+ 3 years transition)**

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Highlight 5

Advocacy 2024: Coalition for Circular Choices

5SD – Role Model Industry



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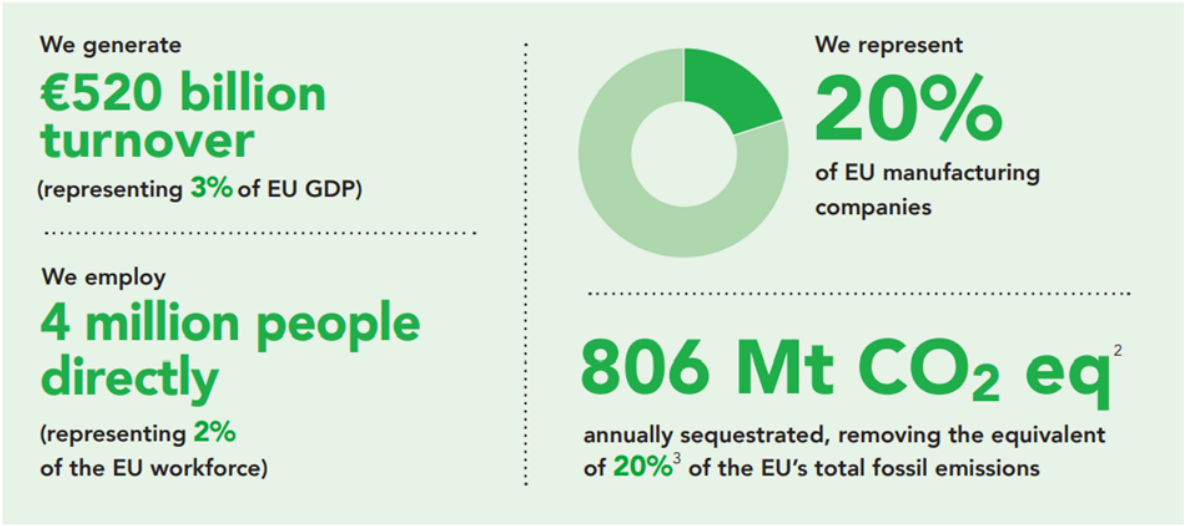
Advocacy 2024-2029 – Coalition





CIRCULAR CHOICES FOR A COMPETITIVE EU BIOECONOMY

Growing a circular future

Executive summary

- **Coalition wood, paper and fibre**
- Downstream led, upstream supported

PR on the launch of the Coalition, 28 March 2023
Executive Summary of the Strategic Document

April 2023

- ❑ Meeting **Mrs E. Werner**, Deputy S-G, **SecGen EU Commission**, Policy Coordination
- ❑ Meeting **Mrs L. Graff,** Advisor to the **CLIMA** Deputy D-G



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Thank you for your attention !

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