

DEVELOPMENT OF MARKET WITH WOOD IN SLOVAKIA AND CENTRAL EUROPE

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Introduction

Current situation on the market (impacts):

- Accidental natural phenomena,
- Geopolitical development in last three years,
- Development of the energy sector.



In the paper is analysed the price development of sawlogs of main tree species: spruce, fir and beech, in Slovakia, selected regions of Austria and the Czech Republic in the period of last six years.

We want to evaluate current state and perspectives of market development with raw-wood resources and also the structure of assortments supplies development in selected European countries.

Material and Methods

- **Development of the supplies volumes of raw-wood assortments** - Green Report issued by the Ministry of Agriculture of Slovakia and also in the Czech Republic, Data for Germany were acquired from the 'Holzmarktbericht „ and for Austria from "Holzeinschlagsmeldung.
- Assessment of **price developments** was focused on sawlogs from trees spruce, fir and beech in selected regions in Austria, Czech Republic and Slovakia. The analysed period represents the last 6 years (from 2008 to March 2015).
- Information about price developments have been drawn from the magazine Holzkurier, the Czech Statistical Office and the forestry market information system in Slovakia.
- The prices of assortments for Austria are in the **trade parity** on “forest roads”, respectively “Forest warehouse”. Prices in Slovakia and Czech Republic are placed on parity “FCO” (ex-warehouse vendor, respectively “FCA” - loaded truck purchaser). In order to make absolutely correct comparison, it is necessary to the Austrian prices added the transportation costs.

Coniferous Raw-wood Supplies Structure

Supplies structure of coniferous raw-wood assortments in % (selected countries)

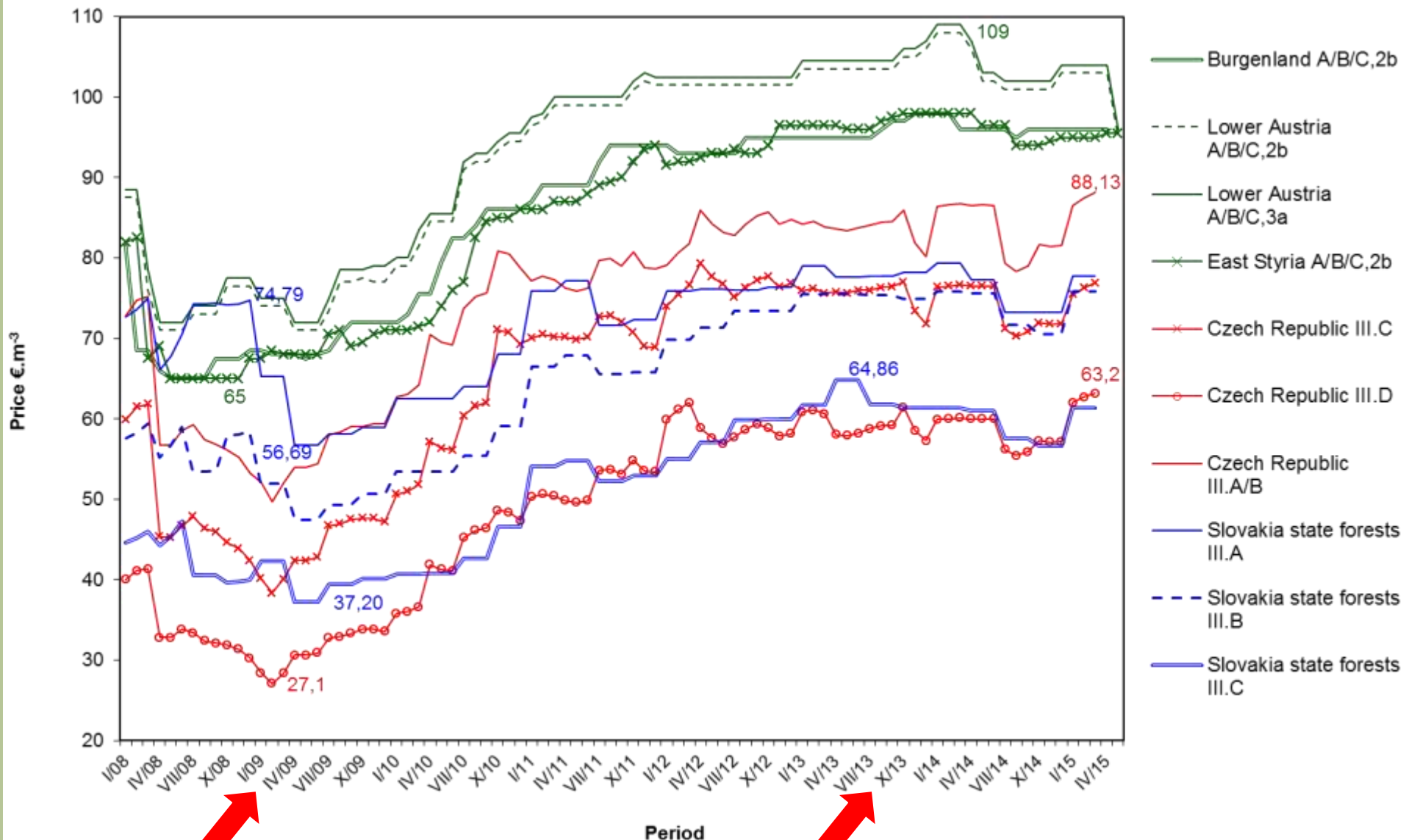
Year/Quality	2008	2009	2010	2011	2012	2013
I.-III.quality class						
Austria	67,5	62,6	64,7	64	62,7	62,8
Germany	64,6	62,3	63,5	61,1	61	61,2
Slovakia	58	52,7	58,1	60,9	61,9	59,1
Czech republic	57,2	59,3	59,6	60,1	60,6	59,9
Pulpwood, Industrial wood						
Austria	15,8	18	17,3	17,3	17,3	17,4
Germany	21,8	21,6	21,7	22,3	23,1	22,3
Slovakia	23,2	29	23,8	19,5	22,9	22,5
Czech republic	34,4	32,4	31,5	32,1	30,3	30,5
Fuel wood						
Austria	16,7	19,4	18	18,7	20,1	19,8
Germany	13,6	16,2	14,8	16,6	15,9	16,6
Slovakia	4,4	4,9	3,95	5,11	6,6	8,8
Czech republic	8,47	8,3	8,9	7,9	9,2	9,6

Broadleaved Raw-wood Supplies Structure

Supplies structure of broadleaved raw-wood assortments in % (selected countries,

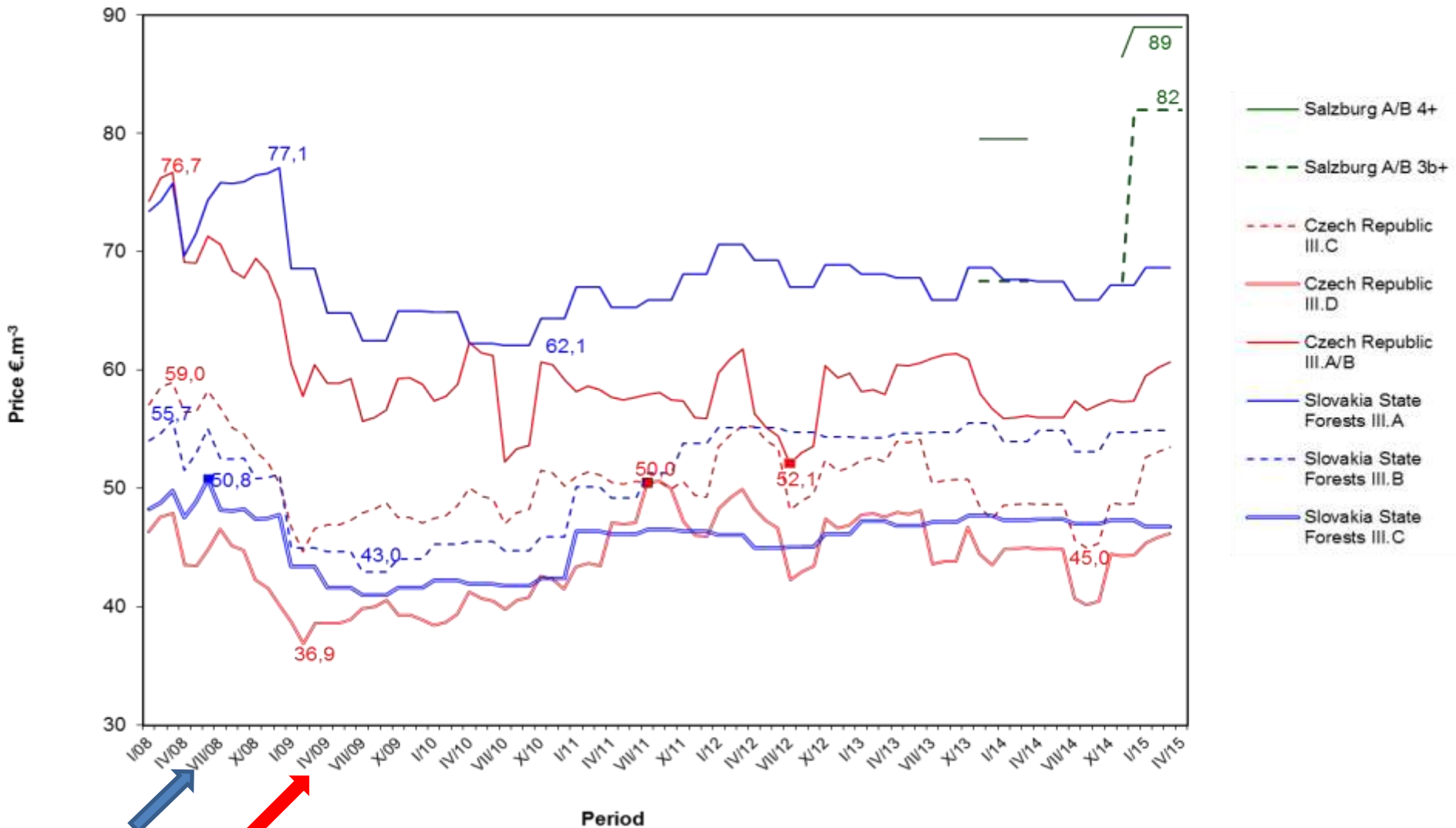
Year/Quality	2008	2009	2010	2011	2012	2013
I.-III.quality class						
Austria	14,4	10,9	10,8	10,8	9,6	9
Germany	29,6	21,9	23,5	24,4	22,9	21,4
Slovakia	38,8	32,4	39,2	36,5	37,6	38,2
Czech republic	32,4	35,7	26,7	40,4	35,4	34,3
Pulpwood, Industrial wood						
Austria	21,7	19,3	18,3	17,7	19,4	20,4
Germany	26,3	26,1	28,6	27,5	31,1	25,4
Slovakia	52,3	57,2	53,1	53	53,1	51,8
Czech republic	31,4	24,8	35,8	17,3	23,5	22,2
Fuel wood						
Austria	64	69,8	70,8	71,5	71	70,6
Germany	44,1	52,1	47,9	48,2	46,1	53,3
Slovakia	7,6	8,2	6,7	8,3	7,8	8,3
Czech republic	36,2	39,5	37,6	42,4	41,1	43,5

Price Development for the Spruce and Fir Sawlogs



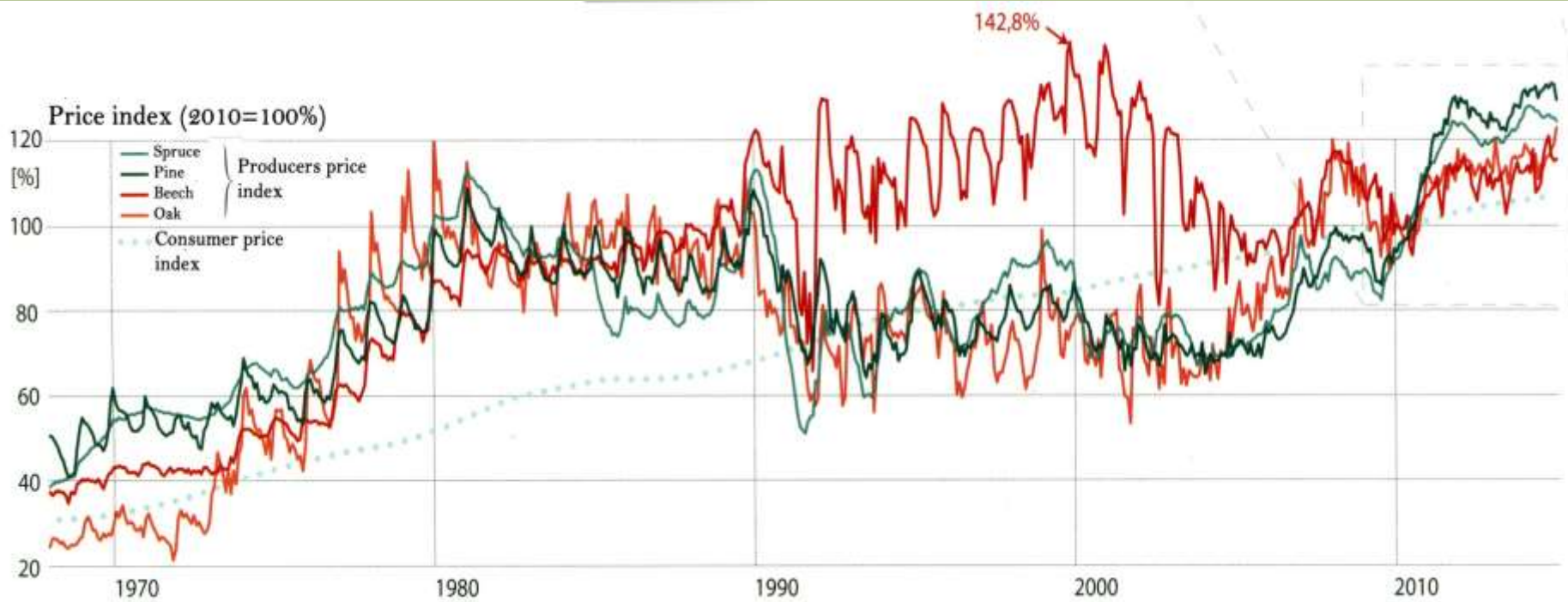
Development of spruce and fir sawlogs prices in Slovakia, Czech Republic and Austria

Price Development for the Beech Sawlogs



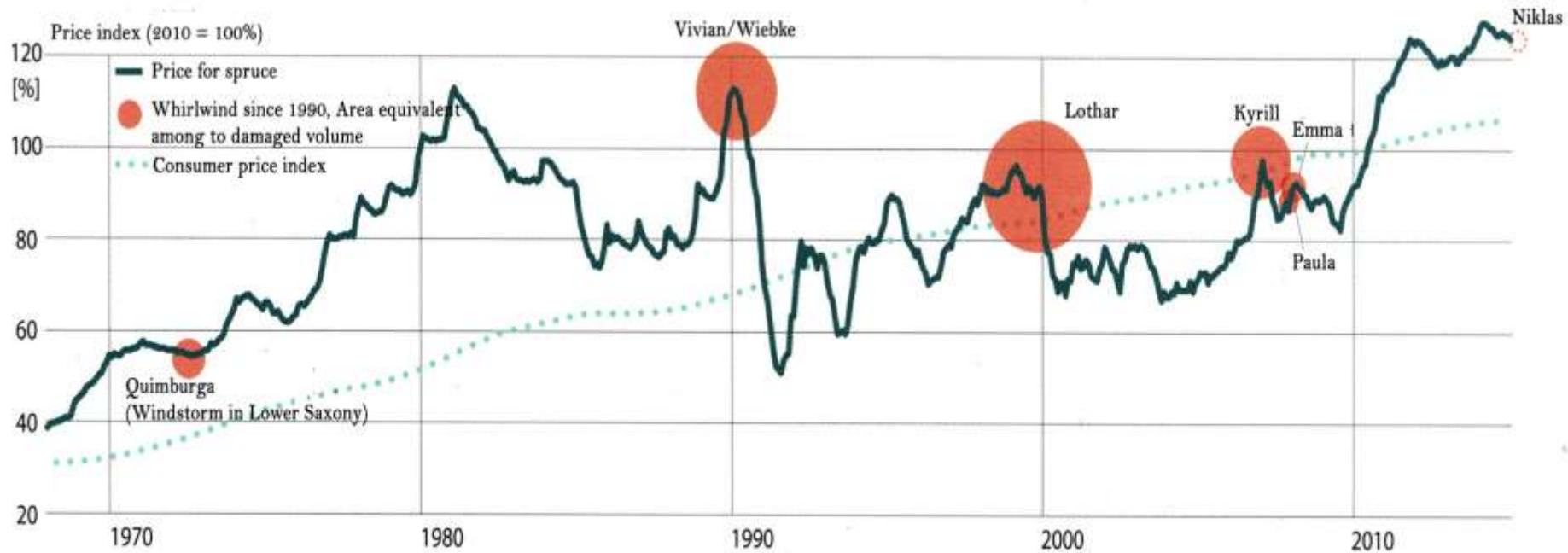
Development of beech sawlogs prices in Slovakia, Czech Republic and Austria

Long-term context



Source: Holzkurier

Long-term context



Source: Holzkurier

Conclusion

In the last five years, prices of wood assortments increased generally. For example, in Germany since 2010, have increased prices of spruce at 24.4%, pine 29.3% and beech 15.2%. The Consumer price index increased in the same period by 6.2%.

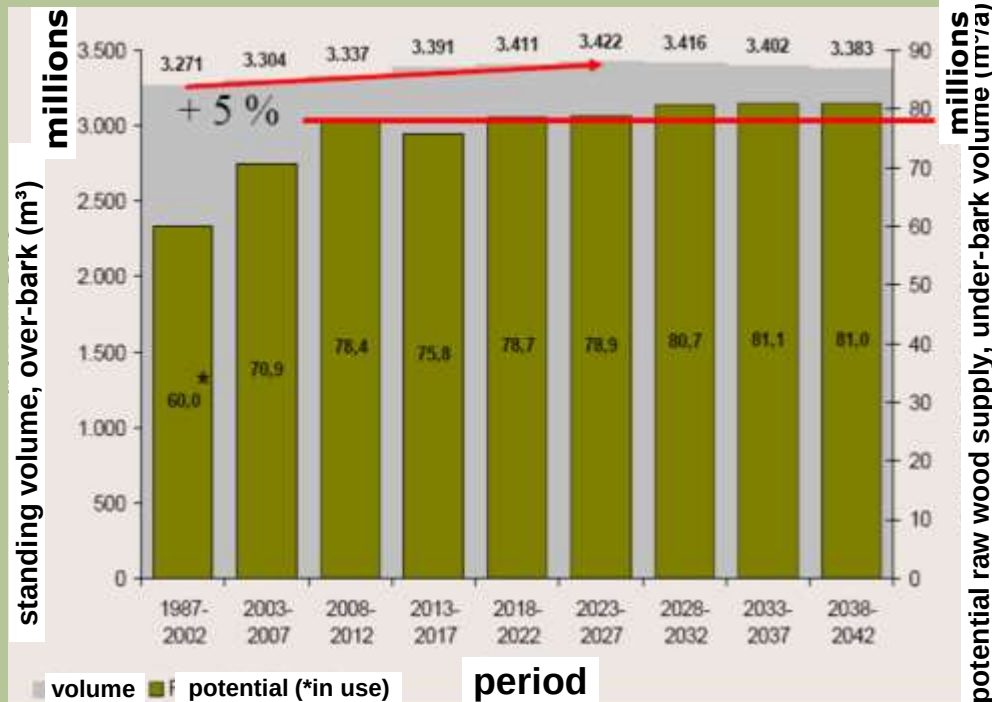
New Challenges (Opportunities) or Risks?

- Economic restrictions against Russia (global trade)
- Economic recession in China
- Using of Beech wood
- Assortments structure in the Future
- Renewable sources for energy sector
- Accidental phenomenon (windstorms, insect infestation, global climate change).



Conclusion

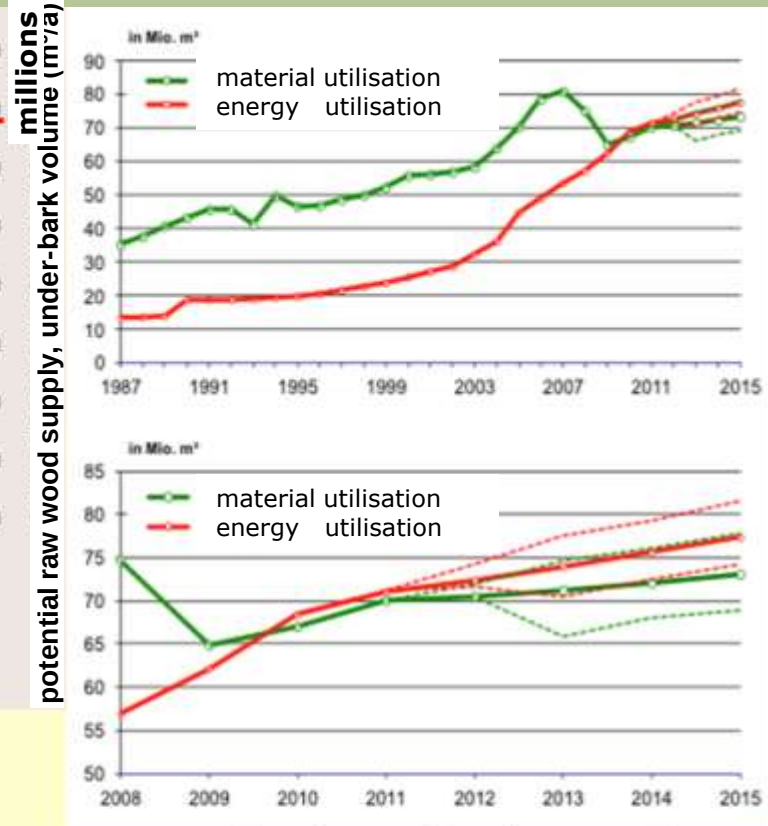
Wood – trends in Germany (Opportunities?)



Trend model of potential raw wood supply in Germany

“... after 2020 there will be a shortfall in the wood supply up to 40 million m³ per annum.”

(Jörg Wendisch, Ministry of Food, Agriculture and Consumer Protection, Berlin 2010)



Trends of wood utilisation for products and energy generation in Germany
Mantau (2012)

Conclusion

Future market developments will be seen in the context of global trade in timber and development of economic indicators that affect it (oil price developments, the evolution of prices for non-renewable energy sources, demographic changes and related building activities etc.).

The fact of the potential risks and opportunities shows, that the timber market could be still dynamically increasing sector, in the future operating on the principle of sustainability.

Germany coniferous roundwood export (1000 m³)				Germany coniferous sawnwood export (1000 m³)				Germany beech roundwood export (m³)				Germany beech sawnwood export (m³)			
Country	January - May		Difference in %	Country	January - May		Difference in %	Country	January - May		Difference in %	Country	January - May		Difference in %
	2014	2015			2014	2015			2014	2015			2014	2015	
Austria	447	416	-6,9	Austria	349	342	-1,9	China	254 845	208 191	-18,3	China	67 790	61 009	-10
Belgium	60	115	92,7	Netherlands	317	307	-3,2	Austria	11 670	83 092	-25,6	USA	24 610	27 652	12,4
Czech republic	49	49	0,9	France	342	293	-14,2	Sweden	32 454	29 422	-9,3	Poland	11 559	15 705	35,9
Switzerland	23	40	78,9	Belgium	226	201	-11	Denmark	34 014	25 814	-24,1	Mexico	8 292	13 373	61,3
Italy	48	35	-27,3	Italy	197	175	-11	India	14 930	20 574	37,8	Belgium	6 032	5 736	-4,9
Netherlands	21	21	3,4	Great Britain	143	150	4,6	Switzerland	7 008	13 286	89,6	Netherlands	6 663	5 557	-16,6
India	25	21	-18,7	India	39	105	170,5	Vietnam	6 402	8 124	26,9	France	3 055	5 359	75,4
Luxemburg	30	19	-35	Saudi Arabia	63	105	65,1	Belgium	7 383	4 389	-40,6	Great Britain	4 383	5 268	20,2
France	33	15	-53,2	Czech republic	100	102	2,5	France	3 531	4 297	21,7	India	9 559	5 155	-46,1
Poland	14	11	-24,4	Poland	77	84	10,2	Czech republic	1 810	4 076	125,2	Italy	2 622	5 005	90,9
Denmark	25	7	-70,4	China	136	76	-43,9	Netherlands	3 951	3 758	-4,9	Malaysia	5 194	4 180	-19,5
Other	24	17	-29	Other	840	624	-25,7	Other	7 536	7 576	0,5	Other	40 670	43 667	7,4
Total	798	768	-3,8	Total	2829	2566	-9,3	Total	485 534	412 599	-15	Total	190 429	197 666	3,8

Thank you for your attention!

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