

# As it is, and how it might become 😊

## ETTF OUTLOOK 2024/2025



72<sup>nd</sup> International

**SOFTWOOD CONFERENCE**

TAORMINA 2024 • 16<sup>th</sup>/18<sup>th</sup> October

Morten Bergsten – Vicepresident ETTF

# Our thoughts from October 2023 in Vienna



- Decreasing consumption
- **We were 1,5% or app. 2 mio m3 better than expected**
- Decreasing activity in the building sector in general
- **Yes, and with a large fluctuations from country to country**
- General decrease in building permits in 2024
- **Seems to be a fact as well**
- Consumer confidence still on a low level, and is expected to be on the same level in 2024
- **Seems to be picking up slowly end of 2024, mainly due to lower inflation and interest**
- Unemployment rate various from 2,0-11,5 % – but forecast for all countries are stable in 2024 on the level as in 2023
- **It seems to be stable, but again with large fluctuations**
- Uncertain energy prices the Winther 23/24
- **Was lower than expected, and was a positive sign**
- US and Chinese market ( US stable import – China, we must expect even bigger import from Russia)
- **US were stable only 3% less than expected, China are increasing import from Russia**



# Facts in import 2023 – Members importing > 1 mio. m3



1000 m3 sawn softwood			
Country		forecast import 2023	Actual import 2023
Austria		1.445	1.366
Belgium		2.700	1.100
Denmark		1.150	1.112
France		2.300	2.250
Germany		2.700	3.072
Italy		4.170	4.088
Netherlands		2.475	2.700
Spain		1.050	931
Sub. Total		(16.390) 17.990	17.731
UK		5.385	5.722
USA		28.389	26.410
Total		51.764	49.863

!!

+/- 0 /+8%

# Facts in consumption 2023



1000 m3 sawn softwood			
Country		Forecast October 2023	Act. 2023
Austria		4.845	5.108
Belgium		2.600	1.604
Denmark		1.200	1.113
France		8.200	8.200
Germany		14.900	16.059
Italy		4.200	4.600
Netherlands		2.100	2.264
Spain		2.550	3.314
Sub. Total		40.595.	42.262
UK		8.300	8.462
USA		87.450	87.577
Total		136.345	138.301

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Germany +7,7%

Spain +30%

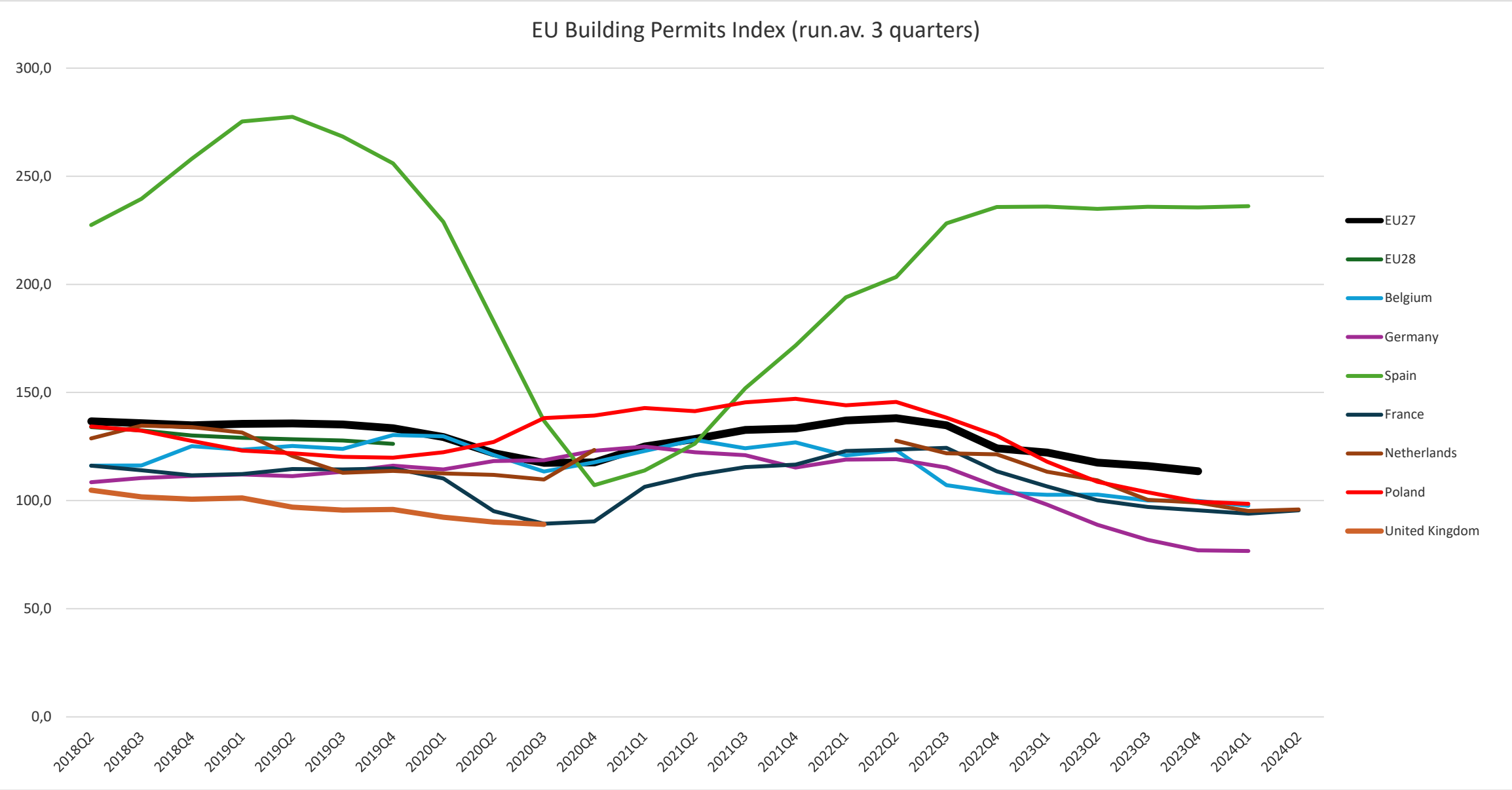


# What happened so far in 2024

- 1. Half of 2024, the activity was a bit lower than expected
- Small signs of picking up 2. Half
- Still an unbalance in production and consumption
- Lots of speculation in the development among producers and users
- The general economy is picking up slowly
- Lower inflation than expected
- Interest is on its way down, but to a new normal ??



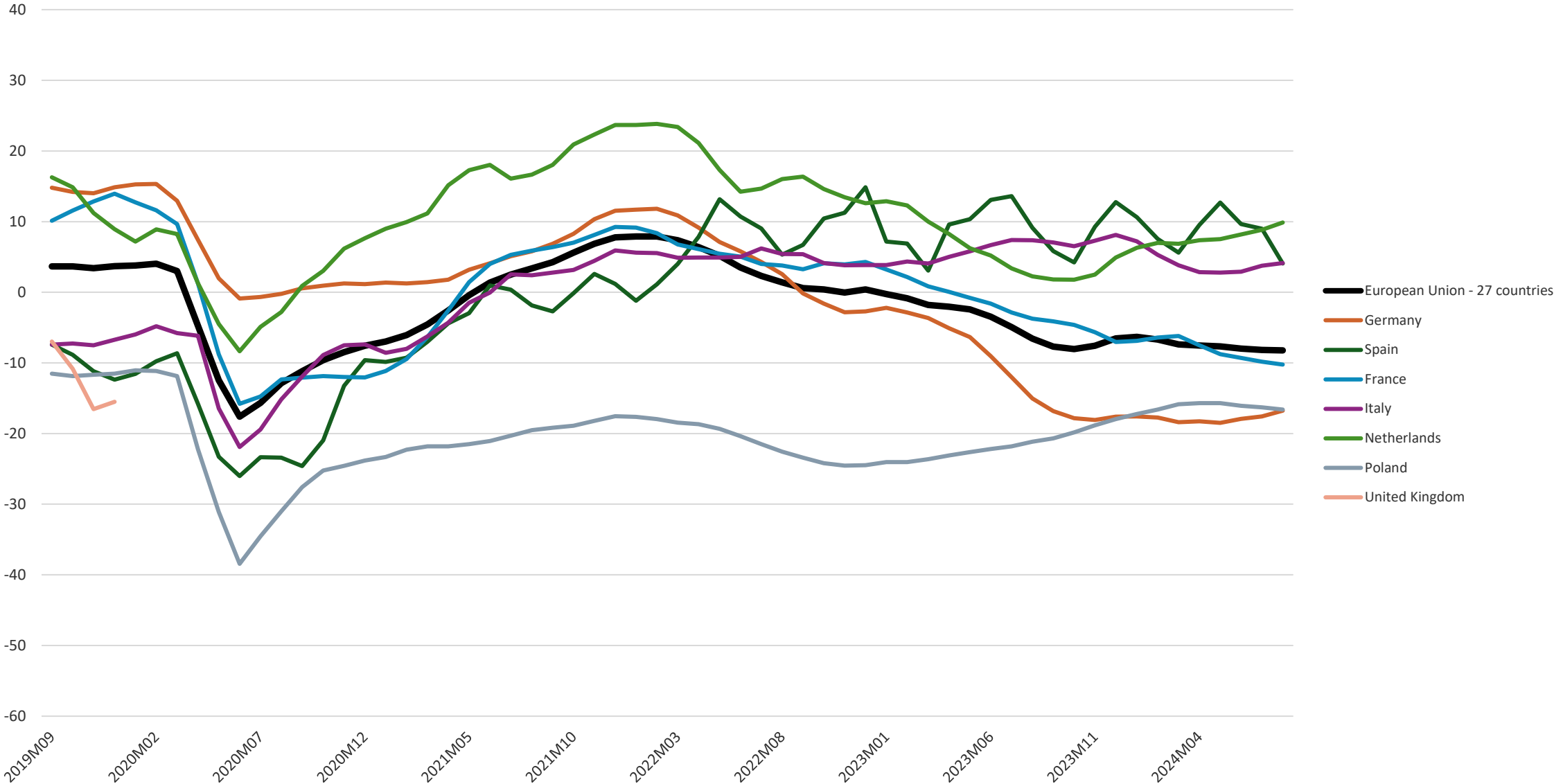
# EU Building Permits Index



Source: Eurostat. Compiled and edited by Probos

# Eurostat construction confidence index for the EU Member States

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



Source: Eurostat. Compiled and edited by Probos

# Import and consumption 2024 and 2025



1000 m3 sawn softwood					
Country	Est. Import 24	Forecast 25	Est. Consumption 24	Forecast 25	
Austria	1.380	1.400	5.466	5.600	
Belgium	1.100	1.100	1.470	1.500	
Denmark	1.100	1.150	1.122	1.180	
France	2.000	2.300	7.500	7.950	
Germany	2.760	2.600	15.650	15.500	
Italy	4.031	4.100	4.614	4.456	
Netherlands	2.650	2.720	2.650	2.720	
Spain	960	974	3.388	3.430	
Sub. Total	15.981	16.344	41.860	42.336	
UK	5.572	5.872	8.312	8.612	
USA	26.146	27.188	85.862	87.443	
Total	47.699	49.404	136.034	138.391	

+1,1%



	Unit	2023	2024	2025
<b>Sweden Production</b>	1.000 m <sup>3</sup>	17.800	17.100	17.600

	Unit	2023	2024	2025
<b>Finland Production</b>	1.000 m <sup>3</sup>	10.400	10.000	11.000

	Unit	2023	2024	2025
<b>Germany Production</b>	1.000 m <sup>3</sup>	22.944	22.250	22.700

+4%



# Major statements from the member countries

- **Belgium** – Small increase in building permits, and therefore also consumption, but on a low level
- **Netherlands** – Recovering from a low level of houses completed in 2024
- **Germany** – Lowest housing starts and new permits ever – struggling
- **Denmark** – Expecting a small increase in activity in 2025 – positive economic outlook
- **France** – The market share of wood in construction and renovation is growing
- **Italy** – Growth in the Italian economy mainly driven by domestic demand
- **Austria** – Increasing development in timber construction – focus on building in wood
- **Spain** – DIY market is still struggling, mainly due to private are prioritizing ”living”
- **Greece** – Is ”back on track” and performing better than rest of EU
- **Morocco** – Economy is on a growth path, and the WorldCup 2030 is accelerating development
- **Switzerland** – Swiss timber construction companies have record high capacity utilisation





# Conclusion

## Concerns:

- The continuing war in Ukraine and the situation in the Middle East
- Germany long time low on housing starts and new building permits
- Uncertainty of the raw material situation
- Interest level for 2025
- Slight unbalance in the producing countries – Vs. Import and Consumption
- Uncertainty in the world economy
- The US election in less than a month is creating some uncertainty as well



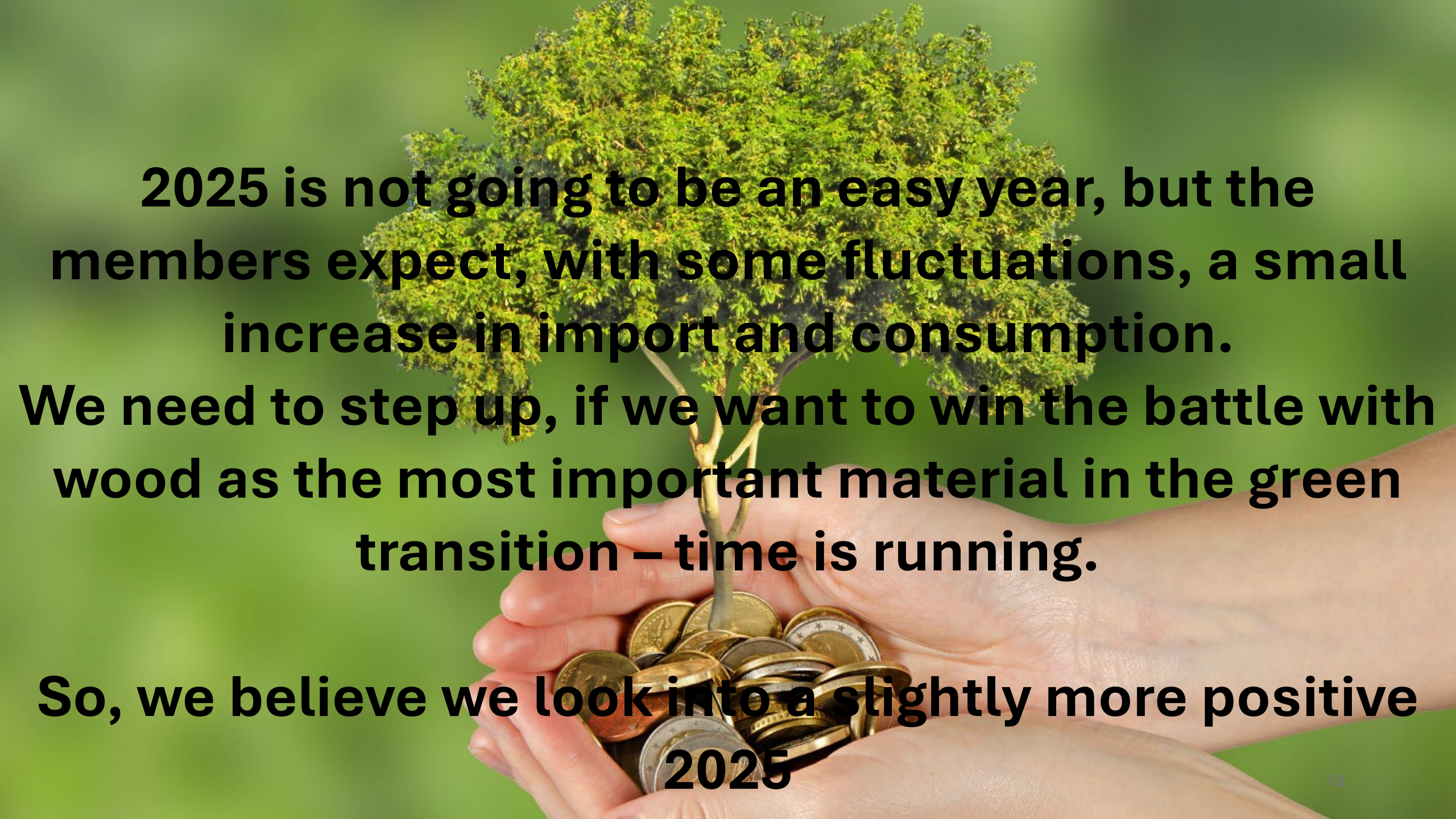
# Conclusion

## Positive:

- Large drop of inflation in 2024
- Unemployment seems stable in 2025
- Increasing consumer confidence
- Stable / lower interest
- Slightly increasing consumption
- Almost all members, except Germany, expect small increase in housing starts and new permits
- Wood as a large part of the green transition





A conceptual image showing a pair of hands holding a large pile of gold and silver coins. A tree with green leaves grows out of the top of the coin pile, symbolizing the connection between finance and environmental sustainability.

**2025 is not going to be an easy year, but the members expect, with some fluctuations, a small increase in import and consumption.**

**We need to step up, if we want to win the battle with wood as the most important material in the green transition – time is running.**

**So, we believe we look into a slightly more positive 2025**



# THANK YOU



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