

Market Developments

European Importers

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Topics

- a report without figures
- Development of our countries and markets in 2007, with outlook 2008
- Q & A
- Progress
- Assumption

Denmark

- economy 2007 still growing. High employment. stable DKK
- house building leveled off in 2nd half 2007
- Softwood imports declined slightly in 2007
- Stock level high through 2007
- Certification is gaining ground. Same in CoC
- PPP underway
- Forecast: uncertainty

Netherlands

- Economy strong in 2007. Exports slowing down. Inflation under control. Unemployment at record-low. Industrial production impressive
- House building at record level
- Increased softwood imports in 2007. Germany becomes #1 supplier. Stock levels increasing over the year
- Ambitious certification and procurement goals underway
- Outlook: slow down

Belgium

- Good economy 2006 as in 2007. Inflation and unemployment dropping further. Industrial production getting smaller
- Housing starts slowing down. Percentage of timber frame houses growing
- Softwood imports up. Highest increase from Germany. Apparent consumption stable
- Stocks increased towards end of 2007
- Future: not rosy

United Kingdom

- 2007 continued strong economy. Industry, financial sector, unemployment, export in good shape.
- Overheated real estate market. Slow down in housing starts. However increase in timber frame housing.
- Imports of softwood sawn goods increased considerably during 2007. Home grown production as well.
- Stock level dropping slowly. Prices peaking in 2007
- Disappointment about deferral of CE-Marking. Wood energy is getting more important. Wood promotion gets high attention.
- Forecast: Fall

France

- In 2007 modest economical growth. Inflation and unemployment slightly higher in comparison
- House building starts high until mid 2007. More timber frame houses being built.
- Stocks high trough the year
- Wood energy grows, as concern of supply
- Outlook 2008: mixed mood

Italy

- GDP growth 2007 in stagnation. Slight decrease of inflation and unemployment and industrial production
- Building sector stable in 2007 until last months
- Imports of softwood sawn timber stable on high level
- High stock levels at year's end. Prices started to drop
- Wood for energy becomes relevant. Promo_legno continued successfully. Number of certified companies increases.
- Development: uncertain, with hopes due „New Tender Code“ and „Housing Plan“

Spain

- Strong economy started to slow down during 2007. Consumer prices and unemployment were favourable
- House building reached another record level and represented an important part of GDP. Building permits started to drop by the end of year
- Softwood imports increased again. Value of imports increased over-proportionally
- Level of stocks considered high by end of year
- Wood biomass lost importance. Continued promotion for wood use.
- 2008: sharp decline

Germany

- 2007 good year for economy, employment, industry production, exports. Inflation rises
- House building-permits, -starts and -completions down, mainly for single houses
- Softwood market 2007 started strong. From Q3 severe drop
- By end 2007 stocks too high for slowing consumption
- Ecology issues drag along. Code of Conduct established. Hopes for quicker FLEGT-process. Small promotional activities.
- Outlook 2008: after 13 months now hope for end of slow down

Q & A

- Is production adjusting to consumption?
- When will excessive stocks be gone?
- Where will Finland get his logs from?
- Will Russia impose the 3rd step of duty?
- When will housing starts go up again? In which country 1st?
- Will European sawmills find new markets?

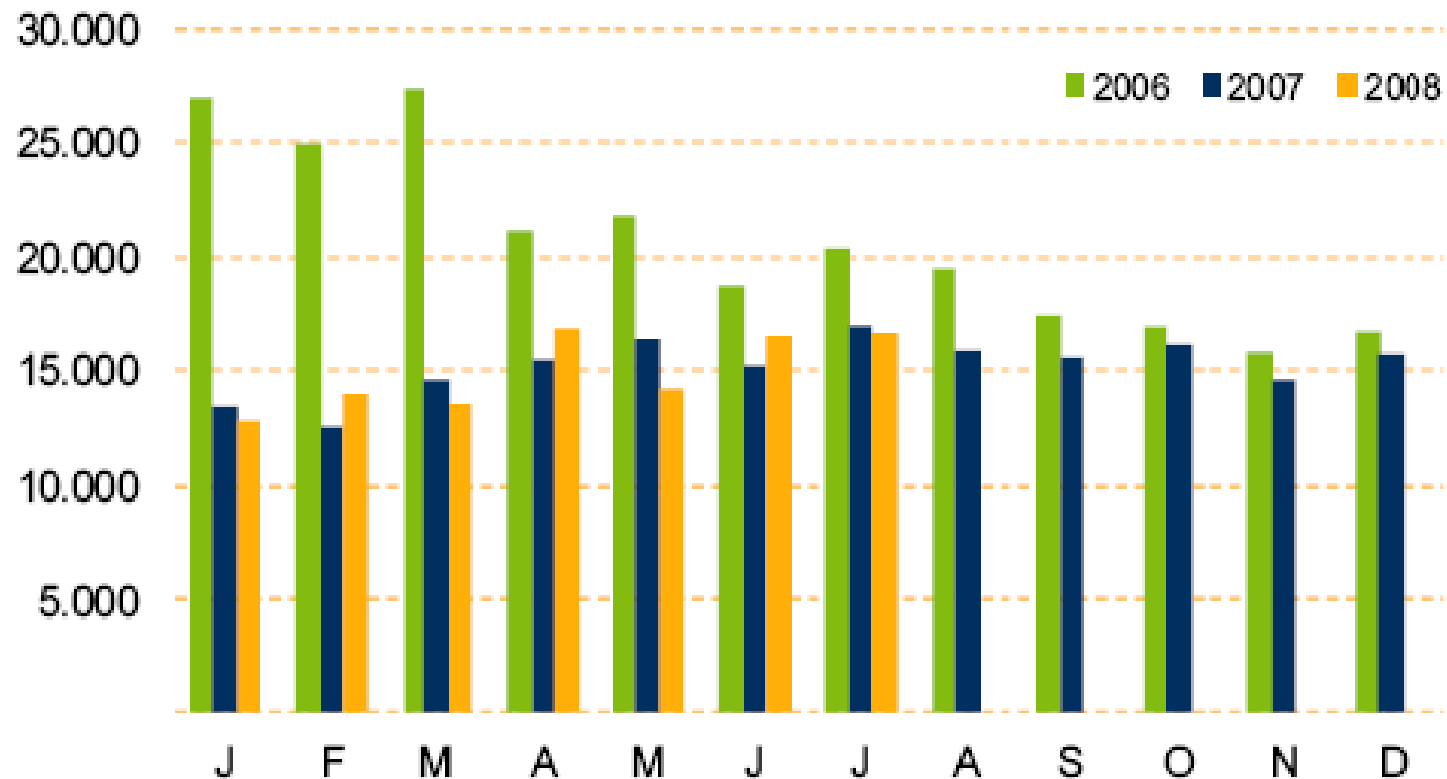
- → Q > A

Progress

- Housing permits in Germany increasing monthly ([Graph 72/2008](#))
- Production Index 7/08 up by >1%
- Production costs and thus cost prices of sawngoods dropping in small steps in Germany since 3/08. now 8% below mid 07
- Index of import prices for softwood sawngoods back to level from before „the bully and bear“ ([Graph 76/2008](#))

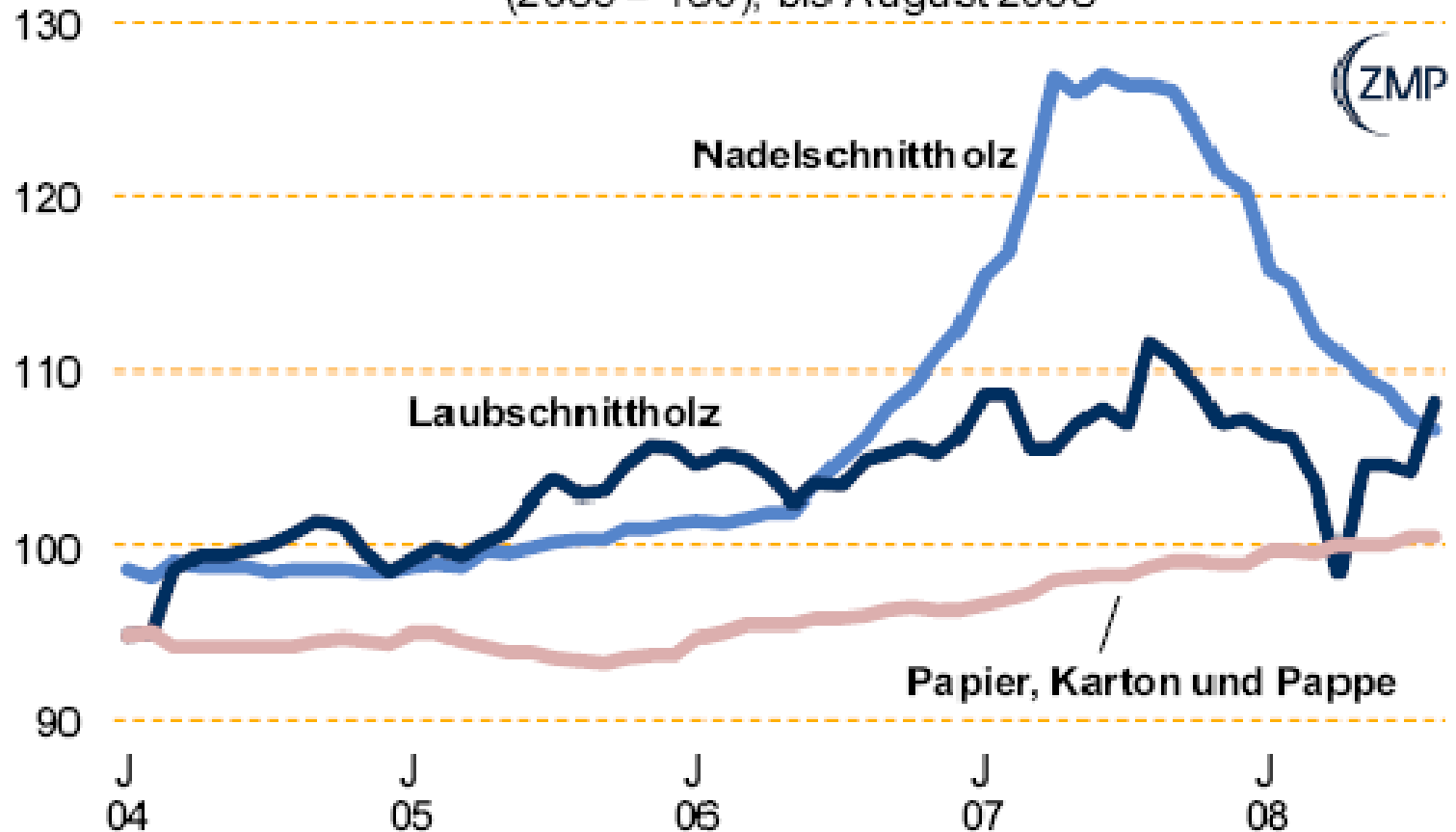
Baugenehmigungen in Deutschland

(in 1.000 Einheiten)



Deutschland: Index der Einfuhrpreise

(2005 = 100); bis August 2008



ASSUMPTION

➔ is the turn around there, we just don't see it, yet?

Food for thought or call it: **Hope**

Thank you for your interest

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