Austrian Market Report 2015

Statement submitted by the Austrian Delegation
to the Joint session of the

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Forestry Department

Vienna, October 2015

1. General economic situation

Economic outlook for 2015 and 2016 [1]

Austria's economy gathers momentum.

This year again the Austrian economy displays only weak growth. Only in 2016 will this momentum increase a little and will the growth gap compared to the average of the euro area and Germany become a little smaller.

The modest development in threshold countries continues to act as a brake on the expansion of domestic exports. In 2016, the economic situation of those countries, except China, is expected to recover somewhat. During the first half of 2015 also the exports to euro-zone countries declined, while foreign trade with the U.S.A. saw a marked growth.

The consumption of private households will remain weak this year and will equally rise more strongly in 2016 only: Owing to the relieving of the tax burden under the 2015/16 tax reform and the increased employment, growth is accelerating from 0.4% in real terms in 2015 to 1.3% in 2016. Demand, too, is expected to improve in 2016, but dynamism will remain weaker than in the upswing phases of the past. Equipment investments saw a tiny plus, by 0.8% in real terms, in 2015, but are expected to increase by 2.5% in 2016. Also the investments in the construction sector, still stagnating this year (+0.2%), will slightly gain momentum in 2016. However, at this point the public housing initiative will contribute only little to this development.

Under these circumstances WIFO is expecting an economic growth of 0.7% for 2015, which will accelerate a little in 2016 to reach 1.4%. In spite of the modest growth the number of persons employed will again rise; the volume of work will not increase to the same extent, however. The continued strong expansion of the labour supply leads also to higher unemployment; according to administrative data the unemployment rate will rise to 9.2% in 2015 and to 9.7% in 2016.

In spite of the lower prices of energy sources the inflation rate, as defined nationally, will still amount to 1.1% in 2015 and will rise to 1.7% in 2016, which means it continues to range clearly above the euro-zone's average. The difference is expected to decline in 2016, however.

[1] Source: Austrian Institute of Economic Research, WIFO Monthly Reports, 10/2015

2. Policy measures

Government Programme

Since late 2013 Austria has again been ruled by a coalition of the Social Democratic Party and the Austrian People's Party. They reached a coalition agreement for five years. The Government Programme includes also objectives of relevance to forestry and timber management, among them the promotion of sustainable timber use in domestic forests as well as the provision and use of renewable energy sources in order to reduce fossil ones.

The Austrian Forest Dialogue and the Austrian Forest Programme

Until the end of 2015 the “Austrian Forest Strategy 2020+” will be prepared in the framework of the Austrian Forest Dialogue, in cooperation with all players of relevance to and interested in forests. The Forest Strategy should help balance the numerous interests and demands linked to Austrian forests and to find solutions to conflicts of use. (www.walddialog.at)

Forest subsidisation

Practically all subsidies of relevance to forestry in Austria are bundled in the national programme of the EU Rural Development Regulation. The Austrian 2014-2020 Programme for the Development of Rural Areas was approved by the European Commission in December 2014. Funds in the amount of € 38.4 million annually are provided for forest-related measures, altogether € 269 million for the seven-year programme period, provided by the European Union, the Federal Government and the nine Federal Provices. The implementation of the new programme is just starting.

Joint timber marketing

The instrument of joint timber marketing has been applied for about 50 years in Austria to strengthen the market force of private forest owners. In recent years these activities have been intensified. One of the reasons has been the increasing demand for timber. An always more significant challenge are the rising numbers of forest owners whose forest properties, due to the structural change in agriculture and forestry, are located at some distance from their places of residence (urban forest owners). Nowadays numerous owners of small (private) forests are organised in forest owner cooperatives. The current level of organisation focuses primarily on cooperation in roundwood sales, loose machinery alliances and collaborative forest operations. Also consulting for forest owners and the preparation of forest management plans are important services. In some cases local forest owner cooperatives (‘Waldwirtschaftsgemeinschaften’) even manage the forests of some of their members. The forest owner association of greatest relevance to roundwood supply is the Austrian Forest Owner Cooperative (Waldverband Österreich). Under its 8 provincial associations about 63,000 forest owners are organised in 234 local forest owner cooperatives. In 2014 totally 2.51 million m^3 of timber were marketed. (www.waldverband.at)

Cooperation Platform Forest-Wood-Paper (“Kooperationsplattform Forst Holz Papier”, FHP)

FHP is a coordination and communication platform of Austria's forestry and timber industry as well as of the paper and pulp industry. It is a platform for lobbying and organizing improved frame conditions and aims at achieving the highest possible value added for wood in all industries. FHP itself is not involved in any sales operations. Its fields of activity comprise the provision of wood (automated takeover of timber at the mill, wood flow, timber harvesting, transport and logistics), wood as (construction) material (research, standardisation), wood energy, wood balance (data service) and wood promotion (see below). The joint activities are funded through the FHP cooperation contribution of all participating industries. (www.forstholzpapier.at)

Wood promotion

“proHolz Austria” (www.proholz.at) is a working group of the Austrian forestry and timber industry. Its objective is the effective marketing of wood and wood products in the domestic market and abroad. The budget for 2014 amounted to € 2.51 million. The activities of proHolz Austria are financed from the FHP contributions. Marketing, publicity and information on wood are the instruments applied to attain this goal. With its internationalisation programme proHolz Austria works actively to raise people’s appreciation of wood and to increase the use of timber by creating advertising cooperations in selected target markets, in particular in Central and Southern/Eastern Europe and in the Balkans, by deepening expert knowledge by means of know-how transfer and education in Italy (www.promolegno.com).

3. Market drivers

In 2014 Austria's economic performance increased by just 0.3%. This was thus the third consecutive year with a rather sluggish development. The decisive reason for this trend was the continuing reserve of enterprises to invest and the attenuated willingness of private households to spend money as well as a lack of favourable external impulses. Mood and expectations among enterprises and households were increasingly pessimistic. Manpower supply increased more strongly than employment, which led to a further rise of the unemployment rate to 8.4%. The marked price decline for energy pushed the inflation rate to +1.7%.

Corresponding to the general economic situation also the production figures of the wood-processing industry as well as the volume felled were slightly declining or stagnant in 2014. The prices of roundwood fell by 1% and, together with the lower energy prices, helped relieve the cost pressure on the timber industry.

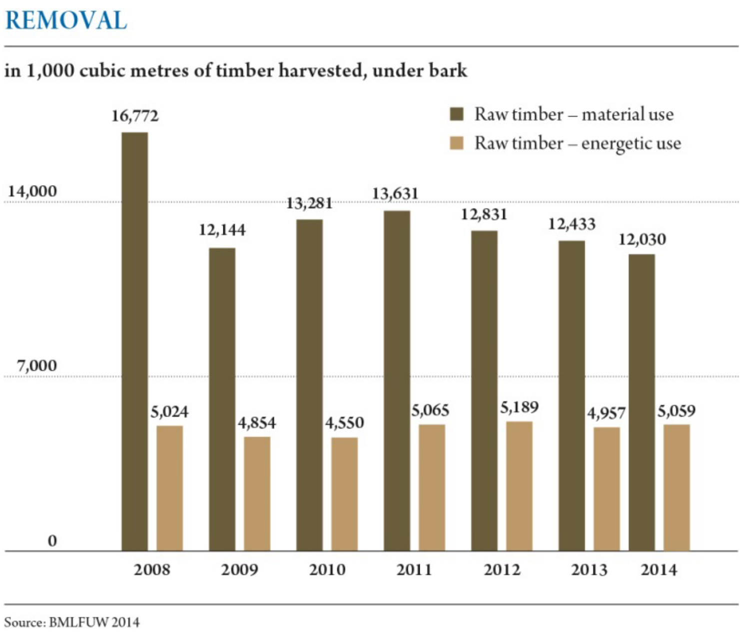
The weak economic growth continues in 2015. Roundwood prices dropped by up to 8% until August. However, both forestry and the sawmill industry are expecting a slight increase in production figures for the overall year 2015. The demand for pulpwood and wood for energy is slack. After a few small harmful events and recently increasing damage caused by bark beetle infestation, we are expecting a higher percentage of damaged wood.

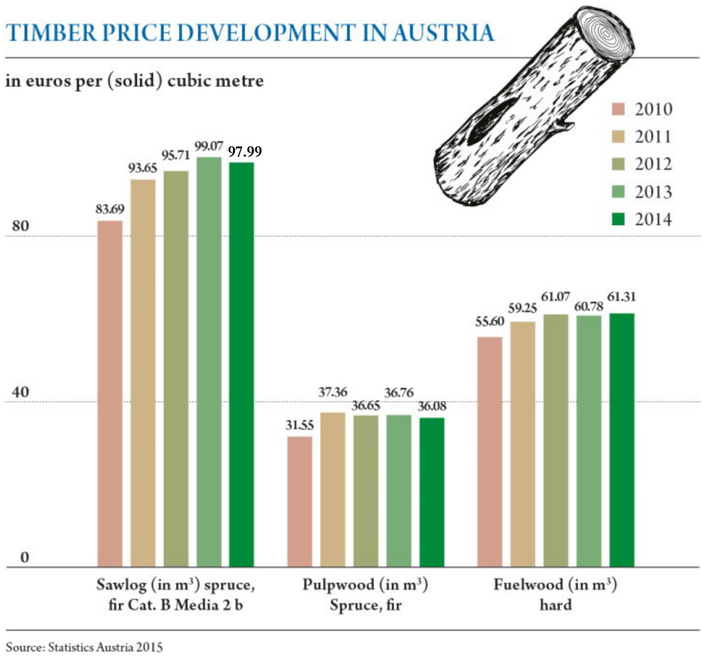
4. Developments in forest-products market sectors

A. Wood raw materials

With a share of 47.6% of the federal territory and about 145,000 forest land owners forests play an important part in Austria, especially in rural areas. Maintaining and increasing the yield of forests are thus of high significance not only for forest owners but also for wood-processing enterprises. In view of the large processing capacities of the wood and paper industry in Austria, the increasing use of wood and sawmill by-products for energy generation and the required imports of roundwood (2014: 8.1 million m³, mostly from the Czech Republic and Germany) mobilizing the available domestic resources has become a major goal of Austrian forest policy.

In 2014, 17.09 million cubic metres under bark were harvested. The harvest volume was 1.7% below the previous year, 4% below the five-year average and 7.4% below the ten-year average. Sawlogs accounted for 51.8%, pulpwood for 18.6%, fuelwood and chippings from forests for 29.6% of the quantity felled. The share of coniferous wood in the total fellings amounted to 81.5%. Altogether, small forest owners (forest area < 200 hectares) felled 9.89 million m³ in 2014 (-4%), the owners of forests larger than 200 hectares 5.57 million m³ (2.7%) and the Austrian Federal Forests 1.63 million m³ (-2.1%). The percentage of damaged wood increased markedly by 38.4% to a total of 4.7 million m³, which is 27.5% of the total removals. Nevertheless, the volume of damaged wood was 24.6% lower than the average of the past ten years. The most important causes of damage were storms, snow and icing and bark beetles.





Roundwood imports decreased by altogether 11.5% in 2014, thus reaching 8.1 million m³. The imports of fuelwood went down by 8.4% and amounted to 853,000 m³, the imports of sawlogs declined to 4.94 million m³ (-8.9%), those of pulpwood to 2.30 million m³ (-17.5%). Exports amounted to 61,000 m³ of fuelwood (+4.4%), 403,000 m³ of sawlogs (-19.2%) and 299,000 m³ of pulpwood (-8.2%).

On annual average the prices of roundwood (incl. fuelwood) were in 2014 1.0% below those of 2013. This is a result of the lower prices for coniferous pulpwood and coniferous sawlogs. On annual average, sawmills paid € 97.99 per cubic metre of sawlog spruce/fir, Cat. B, Media 2b, 1.1% less than in 2013; the annual minimum of € 95.7 was paid in July, the annual maximum of € 101.24 in February. The 2014 mixed pulpwood/mechanical pulpwood price for spruce/fir was with € 39.08 per m³ 2.6% lower than the average of the preceding year – pulpwood € 36.08 (-1.8%), mechanical pulpwood € 46.44 (-1.6%). The production value of domestic forestry (incl. forest-related services and non-separable non-forestry subsidiary activities) reached the total of

€ 1.612 billion in 2014, after € 1.667 billion in 2013. The decline by 3.3% is a consequence of the smaller quantities felled and the lower wood prices of 2014.

2015: Even though the quantities of timber which accrued due to the storm "Niklas" in early April were small compared to the total removal, the prices of sawlogs dropped significantly, especially in the damage centres in Lower Austria, Upper Austria and Salzburg. In some areas ice breaks and thunderstorms led to higher amounts of damaged wood. As from September the marked precipitation deficits which affected large parts of Austria in winter and summer as well as the above-average temperatures led to larger quantities of calamity timber than the year before. As a consequence of the inspection shutdown at Gratkorn and repairs at Pöls, the demand for coniferous industrial roundwood was slack.

In the period from January to August Austrian coniferous sawlog prices declined by about 7%. Pulpwood prices decreased by 3%, mechanical pulpwood and fuel wood prices maintained the same level. Forest owners are expecting a 4% plus in the quantities felled compared to the preceding year. Also roundwood imports are expected to increase in 2015.

The roundwood market in October 2015: The salvaging of beetle calamity wood has been well underway during the past few weeks. The warehouses of the Austrian sawmill industry are thus well filled with coniferous sawlogs. Although sawmills articulate the individual need for freshly cut, healthy sawlogs, the prices for the fourth quarter of the year were cut by up to € 5.00 per m³. Sometimes also sawlog prices are again considerably reduced. Moreover, the price range for the chief assortment of spruce B, 2b has become larger and is between € 83.00 and € 94.00 per m³. Due to the abundant supply of calamity timber also the prices for the inferior roundwood assortments were markedly reduced. In Austria's neighbour countries the market situation is similarly difficult. In most cases roundwood hauling proceeds slowly; only with strictly agreed delivery profiles is it possible to avoid considerable restrictions.

As regards hardwood sawlogs, the season is expected to be quite good again, especially for oak. Also the price of beech is expected to recover a little.

The demand for coniferous industrial roundwood is rather weak as the sites of the pulp, paper and board industry are very well stocked with raw material. In the areas surrounding the affected areas of Upper and Lower Austria there are stringent quotas for the delivery of timber. Prices are stable. Due to the burn of the paper machine at Laakirchen sales of mechanical pulpwood almost came to a standstill. The delivery of timber is blocked at least until the end of this year. The backlog of beech pulpwood caused by the ice break is slowly decreasing.

The situation on the wood-for-energy market is still calm. Thermal power stations are well supplied with raw material. In most cases only the contractually fixed amounts can be sold. Fuelwood accruing in the course of the salvaging of damaged wood should be stored to be able to satisfy the need for quality fuelwood in the coming season.

2016: According to recent economic projections most industries of the wood-processing sector are expecting stable or slightly increasing production figures for 2016. In line with this, Austria’s forest owners predict slightly rising felling quantities. As, after the hot and dry summer of 2015, damage caused by bark beetles has increased, we must realistically expect a further increase of the damage for next year. Forest owners are alarmed. Apart from consistent control measures, a cool and wet spring could ease the situation.

B. Wood energy

In 2013 the Austrian gross domestic consumption of energy amounted to 395,804 GWh or 1,424.9 PJ, thus being 0.5% higher than in 2012. The fossil fuels crude oil, natural gas and coal are still dominant, but the share of renewable energy is growing. Austria's ratio of renewables according to the EU Renewable Energy Directive 2009/28/EC amounted to 32.5% or 111,806 GWh in 2013. In fact 78.4% of domestic energy production comes from renewable energy resources. The biggest shares of renewable energy in Austria's final energy consumption of 2013 were those from wood fuels (incl. long-distance heat from wood fuels) with 44,762 GWh and from hydropower with 39,851 GWh. Together, the two categories of energy sources accounted for 79.2% of the total final energy from renewable sources in Austria. Other major sectors were the energetic use of black liquors with 7.4%, biofuels with 4.9% and wind power with 2.8%.

The traditional firewood still plays an important role for domestic consumers. However, more primary energy was provided by wood chips, by-products from the sawing industry and bark than by firewood billet. Forest wood chips, industrial wood residues and bark are used above all in the sawmilling and other wood-processing industries as well as in CHP plants and long-distance heating systems. Pellets are increasingly used primarily in heating systems of detached houses. Black liquors and sludges of the paper industry are used in the paper and pulp industry to produce electricity and process heat. The wood flow diagram on page 17 offers a good overview of the Austrian wood energy sector.

According to the official removals statistics 5.06 million m³ of fuelwood and chippings from forests were harvested in 2014, which corresponds to a 29.6% share in the total removal and a gain of 4.5% compared to 2013. Fuelwood accounted for 2.61 million m³ (1.35 million m³ of coniferous wood, 1.26 million m³ hardwood), wood chips from forests for 2.45 million (solid) m³. With € 61.31 per m³ of stacked wood (with bark, without turnover tax) the price of non-coniferous fuelwood in 2014 rose by 0.9% compared to 2013, that of coniferous fuelwood slightly rose by 0.2%, thus reaching € 41.16. All in all there were hardly any fluctuations. This stable trend has continued throughout the year 2015 so far.

Wood pellets are currently produced at 38 sites in Austria, predominantly by the sawmilling industry. The production capacity thereby rose to 1.48 million tonnes. In 2014 real production amounted to 945,000 tonnes (-1.8% compared to the preceding year); 341,000 tonnes were imported, above all from Romania, Germany and the Czech Republic; 481,000 tonnes were exported, mainly to Italy. Due to the mild winter domestic consumption dropped by 8% and amounted to about 810,000 tonnes. In 2015 the Austrian pellet production is expected to be stable at 950,000 tonnes. Depending on the next winter, the production for 2016 might rise to 1.1 million tonnes. The current situation sees only few new pellet boilers (around 5,500, half the amount of 2012) and only 3,000 to 4,000 new furnaces getting installed in 2015. The reason for this negative trend is the low oil price leading to no willingness to invest in pellets. The price survey done by proPellets Austria (www.propellets.at) resulted in an average price of 22.93 cent/kg of (bulk) wood pellets (incl. turnover tax) in September 2015. Compared to September 2014 this means a fall in prices of 5.7%. Wood pellets in bags (when ordered by the pallet) cost an average of € 3.83 per 15 kg sack (25.57 cent/kg, -4.7%).

C. Certified forest products

PEFC Austria: Since September 2000 the Austrian PEFC certification system has been applied. Both forest certification by means of the regional model and the “Chain of Custody” (CoC) certification have been developed so as to suit the specific requirements of small- and medium-sized enterprises in Austria. Since October 2014 the third revision process of the Austrian PEFC system is ongoing. Currently, forest owners holding about 2.8 million hectares effectively take advantage of the certification and 455 CoC certificates are valid.

Forest Stewardship Council (FSC): In Austria 463 hectares of forest are currently certified according to FSC. CoC certificates: 266.

D. Value-added wood products

Apart from the sawmilling and board industries (see E, F, G), also the construction sector, the furniture industry, and the ski industry represent important lines of business of the Austrian wood industry.

2014’s sold production in the construction sector amounted according to preliminary numbers to € 2.32 billion. This is a decline of 3.2% compared to the previous year. The individual sectors of the construction-related industries show very inhomogeneous trends. The production of windows grew to € 468.9 million (+4.2%). The production of prefabricated wooden houses fell to € 501.1 million (-2.1%) and the production of doors decreased by 2.2% to € 224.4 million. Glued strucural components’ production fell to a total amount of € 578 million (-3.8%). The exports of wooden floors (€ 198.4 million, -8.7%) and laminated wood (€ 444 million, -6.5%) decreased. The most important markets for wooden floors were Germany (market share: 57.0%) and Switzerland (12.7%). Most of the laminated wood was exported to Italy (52.0%), Germany (14.1%) and Japan (12.6%). There has been a signigicant increase of laminated wood exports to France (+7.3%) and Spain (+8.1%).

The Austrian furniture industry comprises 47 industrial plants with about 6,700 employees – most of them privately owned medium-sized companies. The year 2014 started poorly but with a very good second half of the year this sector finished with a production of € 1.85 billion (-3.4%). Overall growth was achieved only with the production of mattresses (+3.6%, € 122.6 million). Seating furniture -0.7% (€ 209.9 million) and kitchen furniture -0.2% (€ 262.3 million) productions slightly decreased. Most other sectors had a reduced production, in particular shopfitters -6% (€ 164.2 million), household furnishing sector (wooden furniture for the bedroom, dining room and living room) -10.9% (€ 340 million) and office furniture -3.4% (€ 261.9 million).

Exports dropped by 1.0% to € 790.2 million in 2014. The main export market was Germany (€ 328.1 million, -3.0%). Furniture imports to Austria fell by 0.5% and resulted in a total value of € 1.67 billion. The majority of imported furniture came from Germany (€ 848.3 million, -2.7%). Imports from China increased by 8% (€ 132.1 million), Poland lost 2.6% (€ 131.5 million) and Italy lost 6.8% (€ 118.6 million).

E. Sawn softwood

With more than 950 companies and close to 10,000 employees the Austrian sawmilling industry is the biggest processor of wood in Austria (see wood flow diagram, page 16). It mainly consists of small- and medium-sized enterprises. However, the ten largest companies generate half of the total production volume, its 40 largest companies 85%. About 58% of the total sawnwood production is designated for the export. Austria is the world's sixth largest exporter and the seventh largest producer of sawn softwood. About 98% of the Austrian sawnwood production is sawn softwood.

In 2014, little changed in the various production sites. New challenges occurred as new wood products, such as more storey wood constructions, need new forms of logistics and processing. The industry is still in a consolidation phase. Where investments are made, it is in downstream processing. The production of sawnwood amounted to 8.4 million m³ (2013: 8.5 million m³), of which 8.2 million m³ were sawn softwood. The production value of the Austrian sawmilling industry fell from almost € 2 billion in 2013 to € 1.9 billion. In 2014, processed roundwood accounted for approximately 14.5 million solid m³, including 4.6 million solid m³ of imported coniferous sawlogs. In spite of smaller quantities 41%, respectively 20%, of the Austrian coniferous sawlog imports were still from the Czech Republic and from Germany. On the other hand, imports from Slovakia (+8%, 421,000 solid m³) and Slovenia (+64%, 792,000 solid m³) increased.

In 2014, 4.88 million m³ of sawn softwood were exported – a minimal decrease of about 1% compared to the previous year (4.93 million m³). After 7 years of declining export figures, exports to Italy rose by 1% and reached 2.4 million m³. This means that approximately 50% of the total sawn softwood exports were shipped to Italy. Taking everything into account the export to the European markets went up by 5.2%. Export volumes to Germany rose by 5% (2014: 680,000 m³), those to the Czech Republic, on the other hand, dropped by 2% (131,000 m³). Although South Korea had a very high demand for sawnwood, total exports to Asia declined by 24% to 339,000 m³, which is almost the level of 2012 (342,000 m³). Exports to the countries of the Near and Middle East as well as to Africa went down to 840,000 m³ (2013: 896,000 m³, -6%) but are nevertheless still on a stable level.

In 2014, imports of sawn softwood decreased by 7% compared to the previous year. Imports totalled 1.61 million m³. In terms of value, the volume of imports amounted to € 336 million.

The first half of 2015 was quite positive for the Austrian sawnwood industry: After a record low in 2014 production figures are rising again. However, the market was congested with damaged timber, which means that planned logging was reduced and the market was not filled with high-quality logs. On the domestic market the amount of lumber sold was higher than in the year before. Export to Italy remained stable, for Germany an increase was recorded. Trade with the Middle East and with North Africa decreased by 10%. However, due to the current crises it had been expected to drop even more sharply. The positive development in the export numbers to Japan were certainly satisfactory.

Except for cross laminated timber (CLT) first marked signs of saturation were noticeable for the processed products. Smaller quantities of glulam were sold on the principal markets of Japan, Germany and Italy (-4.6% compared to the first six months of 2014).

After years of decline the sawmill industry is with 8.4 million m³ expectings a slight increase in the total sawn softwood production for 2015.

For 2016 the Austrian sawmills expect a further slow rise of production. In the long run, Austria will increasingly have to promote its processing sector and search for additional new export markets.

F. Sawn hardwood

The 2014 production of the sawmills specialized in hardwood decreased to 136,000 m³ (2013: 149,000 m³). Exports of sawn hardwood in 2014 increased by 12.5%, thus accounting for 139,000 m³ and € 78 million. Imports amounted to 161,000 m³.

G. Wood-based panels

Austria's board industry is managed by Austrian owner families. This family background is a vital element of the sustainable development of enterprises. An export quota of up to 80% is proof of the strong performance of the Austrian panel industry. The Austrian enterprises of the particle, MDF and fibre board industries produced at seven Austrian premises, after MDF Hallein was closed in spring 2014, and employed more than 3,000 persons. The largest portion of the turnover was made with particle boards. Particle board production amounted to about 2.20 million m³ in 2014, of which about 80% were exported.

Securing the long-term supply of wood as a raw material is a key issue for the Austrian Wood-based Panel Industry. However, to guarantee raw materials supply in the long run the board industry at an early time launched activities focusing on recycled wood and the establishment of a constructive basis with forest management and, in this context, also with the forest associations.

For 2015, Austria's board industry expects the stable production numbers of 2014 to continue. Only the MDF production figures are still in decline, as a result of last-year's closure of the Hallein plant. In order to back Austrian sites also in the future through investments, the Austrian board industry focuses not only on raw material supply but also attaches importance to transport logistics and social policy circumstances.

H. Pulp and paper

In Austria 21 companies produce pulp and paper at 24 locations and employ about 7,900 persons. Contrary to the trend of 2013, the total 2014 production volume increased by 0.6% and rose to 4.9 million tonnes of paper. The total turnover fell from almost € 3.9 billion in 2013 to € 3.8 billion in 2014.

The average revenue dropped to € 680 per tonne of paper in 2014. Usually this is an alarming trend but this year the prices of several input factors dropped as well. First, there was more supply on the energy market, which resulted in lower costs, and, second, the industrial roundwood market relaxed, which also led to reduced prices. The price for the basic pulp material NBSK was stable at $ 900 per tonne but around the turn of the year fell to $ 880 in response to the market decline and the struggling euro.

In 2014, investments increased to roughly € 155 million, but were once again below the level that would be necessary to remain technologically state-of-the-art (up to € 200 million per year). Large projects were undergone at Sappi in Gratkorn, where PM11 was modernised, as well as at Mayr-Melnhof in Frohnleiten where the KM3 was converted to a new grade of cartonboard. Two positive signals for the Austrian paper industry were that the construction of PM2 in Pöls was completed in 2014 and the Prinzhorn group took over a factory in Gelsenkirchen, Germany.

Production: 2006, with its 5.2 million tonnes produced, remained the Austrian paper industry's record year. As mentioned before the total production of paper summed up to 4.9 million tonnes in 2014, which means a slight growth of 0.6% against the European trend (-0.2%). The graphic sector increased by 0.5% to 2.7 million tonnes, the packaging sector by 0.4% to 1.9 million tonnes and specialty papers by 2.4% to 280,000 tonnes. Thus the utilised capacity of the machinery remained the same at roughly 91%, even though Austrian paper consumption fell by 0.9% to about 2 million tonnes. This is for one due to the industry's far higher exports than domestic sales, but also due to the tendency of international corporations to shift production volumes between their locations to wherever unit costs are the lowest. A practice which is often to Austria's advantage.

The paper and pulp industry contributed positively to Austria's trade balance with exports of more than € 3 billion. This was due to factors including an export quotient of 86.6% in paper. Total paper exports increased to 4.1 million tonnes. The largest delivery markets, alongside the 650,000-tonne domestic market, remain Germany (1 million tonnes, +8.4%) and Italy (440,000 t). In 2014 a total amount of 1.4 million tonnes of paper were imported to Austria.

Virgin fibre pulp production fell by 2.2% to total 1.94 million tonnes. The main reason for the reduction is the decrease in production of bleached chemical pulp (-14.3%, 570,000 tonnes). The production of unbleached chemical pulp (+5.4%, 550,000 tonnes), mechanical pulp (+2.2%, 370,000 tonnes) and textile fibres (+3.6%, 450,000 tonnes) experienced increasing numbers. The amount of wood used by the Austrian paper industry decreased by 3.9% to 7.98 million solid cubic metres in 2014; 4.04 million m^3 accounted for roundwood (-11.9%) and 3.94 million m^3 for sawing by-products (+6.0%). Purchases of domestic roundwood remained at a stable level of 2.43 million m^3. Imports decreased by 25.7% to 1.70 million m^3 which is about the amount of 2012 after the very high imports in 2013 (2.3 million m^3). In the case of sawing by-products, domestic purchases amounted to 2.91 million m^3 (+5.9%) and imports accounted for 1.03 million m^3 (-5.1%). In Austria, the importance of secondary pulp (1,99 million tonnes) is roughly equal to that of primary pulp. 2014 saw 2.3 million tonnes of waste paper used (-1.4%), but despite a very good collection rate of 73.5%, domestic sources could only supply 1.1 million tonnes of waste paper (+1.1%).

Outlook: After a stagnating paper production and a markedly reduced production of pulp in 2015, the paper industry expects a small increase in the paper production and a distinct increase in the pulp production for 2016. One reason for the expected upward trend for pulp is the planned re-start of the recovery boiler at the Zellstoff Pöls AG after the explosion of the boiler in late March 2014. Sufficient supply with wood keeps being the most pressing issue for the Austrian paper industry (www.austropapier.at). It is feared that, when all pulp factories are fully operating, the cost of raw material will rise again and the competitive strength might suffer as a result. Anyhow, companies in the paper industry will further have to adapt to changes in demand and move towards attractive markets and niches.

I. Innovative wood products

To strengthen the timber sector and to enhance its competitive and innovative power concrete measures have been taken in Austria for years, among them the establishment of timber clusters in several Federal Provinces, the initiation of institutes and chairs for timber engineering and timber technology at several universities, targeted research promotion and use of international, in particular European, aid programmes. Another initiative to promote innovations and strengthen the competitiveness of the European forest-based sector is the Schweighofer Prize. It is awarded for innovative ideas, technologies, products and services which concern the whole value chain. (www.schweighofer-prize.org)

J. Housing and construction

See also 4D Value-added wood products.

Over the past years wood has become a high-tech construction material which increasingly finds its way into urban areas. With its initiative “Wooddays“ and the road show across European cities with the compact and mobile exhibition element WOODBOX, proHolz Austria draws the attention to the potentials of wood construction. Fifty international architectural projects demonstrate new dimensions to the possibilities in building with wood. (www.wooddays.eu)

According to Interconnection Consulting 34.5% of the one- and two-family homes built in Austria were prefabricated houses, 80% of them wood-frame houses.

In Vienna, the building permit for a 24-storey high-rise timber building was granted. The construction of the 84 m high building is scheduled to start in spring 2016.

Some Federal Provinces grant timber construction awards to strengthen the awareness for the high design qualities of timber construction and its ecological and climate-protecting properties.

proHolz Austria (www.proholz.at; see also 2 Wood promotion) offers comprehensive information about the building with wood.

5. Charts

Economic indicators (WIFO Monthly Reports 10/2015)

	2011	2012	2013	2014	2015	2016
	Percentage changes from previous year					
GDP Volume	+ 2.8	+ 0.8	+ 0.3	+ 0.4	+ 0.7	+ 1.4
GDP Value	+ 4.8	+ 2.7	+ 1.8	+ 2.0	+ 2.4	+ 3.1
Export of goods Volume	+ 7.4	+ 0.5	+ 2.9	+ 2.7	+ 2.5	+ 4.0
Export of goods Value	+ 11.3	+ 1.5	+ 1.8	+ 1.8	+ 2.3	+ 4.7
Import of goods Volume	+ 8.4	- 0.9	- 0.1	+ 1.0	+ 2.5	+ 3.5
Import of goods Value	+ 15.3	+ 0.7	- 1.0	- 0.7	+ 1.0	+ 4.5
Consumer prices	+ 3.3	+ 2.4	+ 2.0	+ 1.7	+ 1.1	+ 1.7
Active dependent employment	+ 1.9	+ 1.4	+ 0.6	+ 0.7	+ 0.9	+ 1.0

Wood resources

Product	Year	Production	Imports	Exports
		1,000 m³		
Sawlogs, pulpwood and other industrial roundwood	2013	12,433	8,214	824
	2014	12,030	7,239	702
	2015	12,709	7,432	736
	2016	13,083	7,080	733
Wood residues, chips, particles	2013	6,258	2,215	528
	2014	5,640	2,068	511
	2015	5,770	1,512	500
	2016	5,890	1,800	500
Fuelwood	2013	4,957 [1)]	932	58
	2014	5,059 [1)]	853	61
	2015	5,090 [1)]		
	2016	5,150 [1)]		

1) incl. chippings from forests

Sawnwood

Product	Year	Production	Imports	Exports
		1,000 m³		
Coniferous sawnwood	2013	8,385	1,736	4,932
	2014	8,215	1,615	4,884
	2015	8,400	1,575	5,000
	2016	8,550	1,700	5,150
Non-coniferous sawnwood	2013	149	175	123
	2014	136	161	139
	2015	125	175	130
	2016	130	180	130

		Country: Austria			**Date:**	16.Okt
		Name of Official responsible for reply:				
		Johannes Hangler				
TF1		**Official Address (in full):**				
UNECE TIMBER FORECAST QUESTIONNAIRE		Federal Ministry of Agriculture, Forestry, Environment and Water Management				
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		Telephone: +43 1 71100 7309			**Fax:** + 43 1 71100 7399	
		E-mail: johannes.hangler@bmlfuw.gv.at				

Product Code	Product	Unit	Historical data 2013	2014	Estimate 2015	Forecast 2016
1.2.1.C	SAWLOGS AND VENEER LOGS, CONIFEROUS					
	Removals	1000 m^3	9.052	8.585	9.300	9.500
	Imports	1000 m^3	5.115	4.588	4.900	4.500
	Exports	1000 m^3	440	337	330	350
	Apparent consumption	1000 m^3	13.727	12.837	13.870	13.650
1.2.1.NC	SAWLOGS AND VENEER LOGS, NON-CONIFEROUS					
	Removals	1000 m^3	267	270	280	290
	Imports	1000 m^3	309	351	370	350
	Exports	1000 m^3	58	66	75	65
	Apparent consumption	1000 m^3	518	555	575	575
1.2.1.NC.T	of which, tropical logs					
	Imports	1000 m^3	0	0	0	0
	Exports	1000 m^3	0	0	0	0
	Net Trade	1000 m^3	0	0	0	0
1.2.2.C	PULPWOOD (ROUND AND SPLIT), CONIFEROUS					
	Removals	1000 m^3	2.508	2.483	2.440	2.600
	Imports	1000 m^3	1.693	1.241	1.150	1.230
	Exports	1000 m^3	302	272	270	260
	Apparent consumption	1000 m^3	3.899	3.451	3.320	3.570
1.2.2.NC	PULPWOOD (ROUND AND SPLIT), NON-CONIFEROUS					
	Removals	1000 m^3	606	692	689	693
	Imports	1000 m^3	1.097	1.059	1.012	1.000
	Exports	1000 m^3	24	27	61	58
	Apparent consumption	1000 m^3	1.679	1.724	1.640	1.635
3	WOOD CHIPS, PARTICLES AND RESIDUES					
	Domestic supply	1000 m^3	6.258	5.640	5.770	5.890
	Imports	1000 m^3	2.215	2.068	1.512	1.800
	Exports	1000 m^3	528	511	500	500
	Apparent consumption	1000 m^3	7.945	7.197	6.782	7.190
1.2.3.C	OTHER INDUSTRIAL ROUNDWOOD, CONIFEROUS					
	Removals	1000 m^3	0	0	0	0
1.2.3.NC	OTHER INDUSTRIAL ROUNDWOOD, NON-CONIFEROUS					
	Removals	1000 m^3	0	0	0	0
1.1.C	WOOD FUEL, CONIFEROUS					
	Removals	1000 m^3	2.859	2.854	2.850	2.900
1.1.NC	WOOD FUEL, NON-CONIFEROUS					
	Removals	1000 m^3	2.098	2.205	2.240	2.250
1	TOTAL REMOVALS	1000 m^3	17.390	17.089	17.799	18.233
4.1	WOOD PELLETS					
	Production	1000 m.t.	962	945	950	1.100
	Imports	1000 m.t.	385	344	335	350
	Exports	1000 m.t.	483	485	495	510
	Apparent consumption	1000 m.t.	865	804	790	940

TF2
UNECE TIMBER FORECAST QUESTIONNAIRE
Forest products

Country: Austria
Date: 16.Okt
Name of Official responsible for reply:
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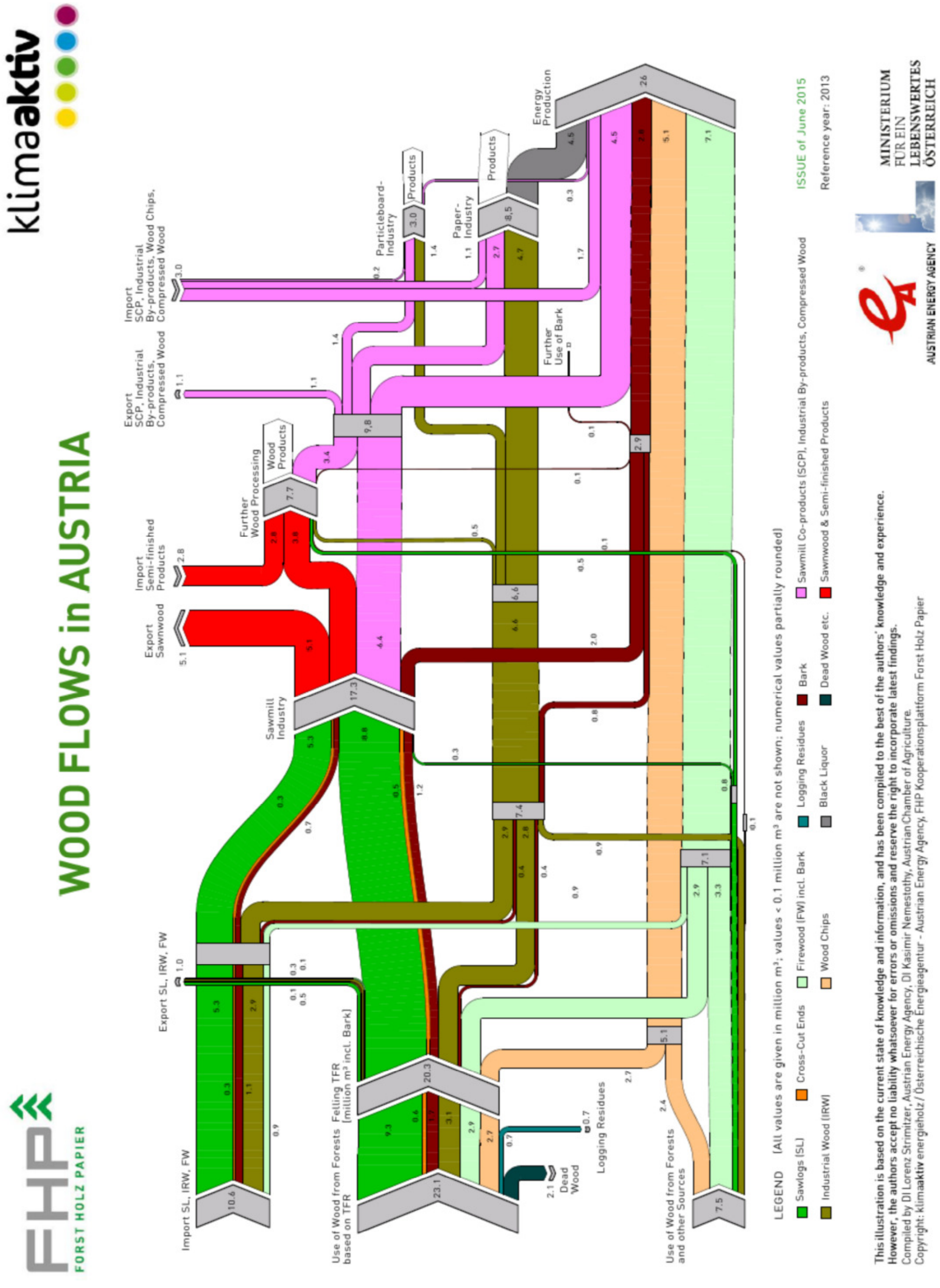
Product Code	Product	Unit	Historical data 2013	Historical data 2014	Estimate 2015	Forecast 2016
5.C	SAWNWOOD, CONIFEROUS					
	Production	1000 m^3	8.385	8.215	8.400	8.550
	Imports	1000 m^3	1.736	1.615	1.575	1.700
	Exports	1000 m^3	4.932	4.884	5.000	5.150
	Apparent consumption	1000 m^3	5.189	4.946	4.975	5.100
5.NC	SAWNWOOD, NON-CONIFEROUS					
	Production	1000 m^3	149	136	125	130
	Imports	1000 m^3	175	161	175	180
	Exports	1000 m^3	123	139	130	130
	Apparent consumption	1000 m^3	201	158	170	180
5.NC.T	of which, tropical sawnwood					
	Production	1000 m^3	0	0	0	0
	Imports	1000 m^3	5	7	5	6
	Exports	1000 m^3	1	1	1	1
	Apparent consumption	1000 m^3	4	6	4	5
6.1	VENEER SHEETS					
	Production	1000 m^3	8	8	7	7
	Imports	1000 m^3	42	44	49	50
	Exports	1000 m^3	21	17	18	18
	Apparent consumption	1000 m^3	29	35	38	39
6.2	PLYWOOD					
	Production	1000 m^3	n.a.	n.a.	n.a.	n.a.
	Imports	1000 m^3	145	160	200	210
	Exports	1000 m^3	339	346	295	290
	Apparent consumption	1000 m^3	n.a.	n.a.	n.a.	n.a.
6.3	PARTICLE BOARD (including OSB)					
	Production	1000 m^3	2.200	2.200	2.220	2.240
	Imports	1000 m^3	439	428	420	420
	Exports	1000 m^3	1.802	1.814	1.820	1.830
	Apparent consumption	1000 m^3	837	815	820	830
6.3.1	of which, OSB					
	Production	1000 m^3	0	0	0	0
	Imports	1000 m^3	168	171	165	170
	Exports	1000 m^3	7	7	9	9
	Apparent consumption	1000 m^3	161	163	156	161
6.4	FIBREBOARD					
	Production	1000 m^3	750	650	580	580
	Imports	1000 m^3	211	246	258	266
	Exports	1000 m^3	654	557	493	495
	Apparent consumption	1000 m^3	307	339	345	351
6.4.1	Hardboard					
	Production	1000 m^3	100	100	80	80
	Imports	1000 m^3	16	23	25	26
	Exports	1000 m^3	74	74	55	55
	Apparent consumption	1000 m^3	42	49	50	51
6.4.2	MDF (Medium density)					
	Production	1000 m^3	650	550	500	500
	Imports	1000 m^3	130	148	160	165
	Exports	1000 m^3	571	471	430	432
	Apparent consumption	1000 m^3	209	227	230	233
6.4.3	Other fibreboard					
	Production	1000 m^3	0	0	0	0
	Imports	1000 m^3	65	76	73	75
	Exports	1000 m^3	9	12	8	8
	Apparent consumption	1000 m^3	56	64	65	67
7	WOOD PULP					
	Production	1000 m.t.	1.987	1.944	1.750	2.000
	Imports	1000 m.t.	697	796	800	780
	Exports	1000 m.t.	436	348	200	350
	Apparent consumption	1000 m.t.	2.249	2.392	2.350	2.430
10	PAPER & PAPERBOARD					
	Production	1000 m.t.	4.837	4.865	4.850	4.950
	Imports	1000 m.t.	1.436	1.402	1.420	1.440
	Exports	1000 m.t.	4.026	4.127	4.120	4.250
	Apparent consumption	1000 m.t.	2.247	2.140	2.150	2.140


WOOD FLOWS in AUSTRIA
Import SL, IRW, FW
Export SL, IRW, FW
Use of Wood from Forests based on TFR
Felling TFR [million m³ incl. Bark]
Logging Residues
Dead Wood
Use of Wood from Forests and other Sources
Sawmill Industry
Export Sawnwood
Import Semi-finished Products
Further Wood Processing
Wood Products
Export SCP, Industrial By-products, Compressed Wood
Import SCP, Industrial By-products, Wood Chips, Compressed Wood
Particleboard-Industry
Products
Paper-Industry
Products
Further Use of Bark
Energy Production
LEGEND (All values are given in million m³; values < 0.1 million m³ are not shown; numerical values partially rounded)
Sawlogs (SL)
Industrial Wood (IRW)
Cross-Cut Ends
Firewood (FW) incl. Bark
Wood Chips
Logging Residues
Black Liquor
Bark
Dead Wood etc.
Sawmill Co-products (SCP), Industrial By-products, Compressed Wood
Sawnwood & Semi-finished Products
ISSUE of June 2015
Reference year: 2013
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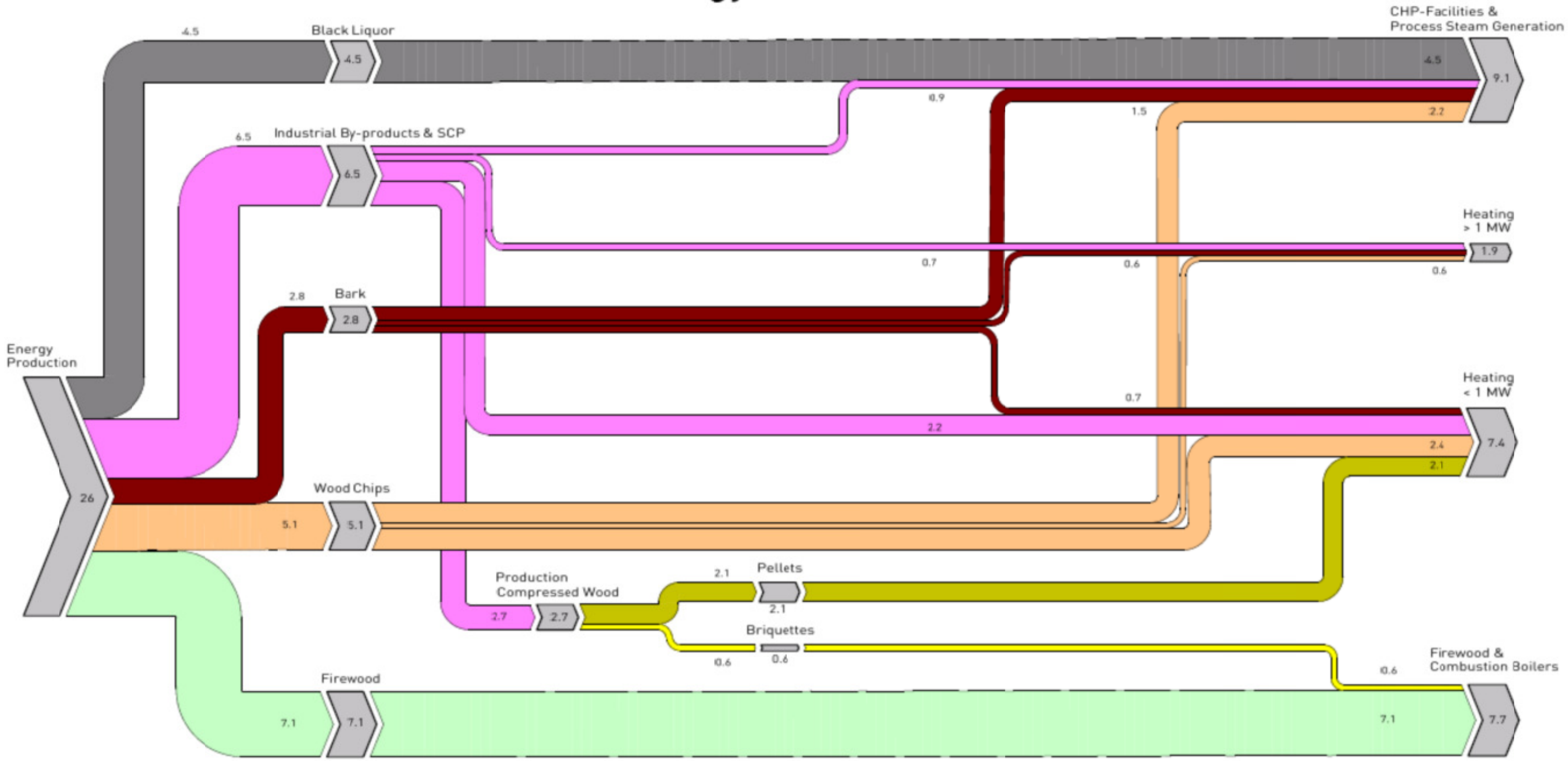
WOOD FLOWS in AUSTRIA

Energy Production



LEGEND (All values are given in million m³; values < 0.1 million m³ are not shown; numerical values partially rounded)

- Black Liquor
- Briquettes
- Pellets
- Firewood incl. Bark
- Bark
- Wood Chips
- Industrial By-products & Sawmill Co-products (SCP)

ISSUE of June 2015

Reference year: 2013

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AUSTRIAN ENERGY AGENCY

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