



# **WOOD2GOOD - Brussels - 12/12/2014: Restructuring the wood sector from a green economy perspective: best practices & innovative solutions**

## **The wood-processing industries in the context of evolving EU policies**

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# Blueprint: Scope



## ***Blueprint for EU Forest-based industries 2013***

(Document: SWD (2013) 343)

- Accompanying "new EU Forest Strategy"
- Contributes to EU Industrial Policy
  
- Covers four industries:
  1. woodworking
  2. furniture
  3. pulp & paper manufacturing and converting
  4. printing
  
- Representing:
  - about 7% of EU manufacturing GDP
  - nearly 3.5 million jobs



# Blueprint Key figures



F-BI sub-sector/ Parameter	<b>Woodworking</b>  (WWI)	Furniture	Pulp & paper manufacturing & converting (P&P)	Printing	Total
<b>N° firms</b>	184 000	130 000	21 000	120 000	455 000
<b>N° jobs</b>	1 093 000	1 000 000	647 500	770 000	3 510 500
<b>Production value (M€)</b>	115 702	92 000	168 000	85 535	461 237
<b>Turnover (M€)</b>	122 264	96 000	180 000	88 009	486 273
<b>Added value (M€)</b>	31 200	30 000	41 000	32 477	134 677
<b>Concentration</b>	Few large sawmills & panel makers, otherwise SMEs & micro firms	Few large firms; mostly SMEs & micro firms	Many large firms, including "mega" multinationals, some medium-sized; small firms are specialists.	Few large firms; mostly SMEs and micros.	



## *Blueprint for the EU Forest-based Industries*

- Content:
  1. Sectoral economic outlook
  2. Sectoral technological outlook
  3. Focus on sub-sectors:
    - Key features
    - Challenges
    - Opportunities
  4. Challenges and remedial initiatives



## Challenges: for which remedial initiatives:

- stimulating growth
- resource and energy efficiency
- raw materials sources and flows
- logistics (wood harvesting, infrastructures & transport)
- **structural adaptation**
- **innovation**; research & development
- education, training & skills; ageing workforce
- Coherence & costs of EU legislation
- EU climate policy from 2030
- international competition, trade & co-operation
- Information, communication & image



## ***Sectoral restructuring – the long view***

**1990s:** European **pulp & paper industries** restructured, largely by mergers and acquisitions (time of « endless growth », driven by domestic and overseas demands

**2010s:** despite continued growth for hygienic & packaging grades, less printed media means decline for many printing & writing papers. Europe 2050 goals (e.g. reduce energy consumption and carbon footprints) drive innovation towards the **bio-economy**: wood-based bio-refineries producing an array of pulps, bio-fuels, bio-chemicals, bio-medicines, bio-textiles, etc.

NB **printing industry**: anticipated restructuring, with full involvement of social partners.

## ***Sectoral restructuring – the long view***

**Woodworking industries (WWI):** with few exceptions (e.g. wood-based panels, large sawmills), the WWI has not consolidated much.

« Indufor study (2013)» demonstrated that WWI face:

- highest global roundwood costs
- highest global energy costs (X 2.5 those of USA)
- highest global labour costs
- low-cost international competition, esp. from Asia

But has survived through quality, innovation and high labour productivity, though with decreasing profitability

## *Sectoral restructuring – the long view*

### **Sub-sectoral trends in global markets:**

**sawmilling:** further consolidation of big firms; for SMEs and micros: specialise +/- innovate, shrink or die

**wood-based panels:** EU capacity moving east for cheaper: wood, energy & labour but also new markets

**wooden packaging:** growth through offering complete service to global value chains; efficient logistics

**wooden construction:** engineered wood products (EWP), e.g. I-beams, glulams, etc. have offered stable and predictable performance for frames & components.

**Cross-laminated timber (CLT) panels:** clean, cheaper, quick, multi-storey building via pre-fabrication off-site.



## **How to restructure amidst policy changes?**

2013:- new EU finance period 2014-20; reduced budget

- implementation of EU Timber Regulation
- new EU Forest Strategy and F-BI Blueprint
- Industrial Policy (IP) communication:  
including « reindustrialisation » increase  
manufacturing share of EU GDP
- RTD & innovation: Horizon 2020; COSME

2014:- Industrial Policy (IP) communication

- 2030+ Climate & Energy goals, e.g. 27 % RES  
revision of « Carbon-leakage List »
- Biomass Report: status quo till 2020

## *How to restructure amidst policy changes?*

2014:- new European Parliament; new Commission:

- 10 priorities, including growth and jobs
- Green Economy?
- 300 Bn € EU Investment Package  
(European Fund for Strategic Investments)
- **Industrial Policy:** news January 2015; but will prioritise:
  - facilitating access to inputs for EU firms
  - improving access to markets
  - fostering innovation
  - a business-friendly environment, esp. for SMEs

2015: - Commission Work Programme includes « smart & clean industry » (ICT + high technology for high productivity of customer-focused, value-added products and services)

- EU Timber Regulation Review; Paris Climate Conference

## **Implementing the Forest-based industries Blueprint**

- 2013-14:- study on customer information for furniture
- European Innovation Partnership on Materials, including wood: call for commitments, e.g. wood mobilisation
  - set up EU Expert Group on Forest-based Industries
  - Standing Forestry Committee Working Group on criteria & indicators for sustainable forest management
- 2015:
- study on cascading use of wood
  - study: cumulative cost assessment (CCA) of the impacts of EU legislation & policies on the forest-based industries
  - focused sub-groups of the F-BI Expert Group?
  - EU Timber Regulation review – NB links with CCA
- 2016:
- study: good practices in resource & energy efficiencies in the EU F-BI, esp. woodworking and SMEs & micro firms

## ***New Expert Group on Forest-based Industries and Sectorally Related Issues - 1:***

"F-BI" Expert Group's membership (24 + (max) 28):

- 4 members: woodworking industries
- 2 members: furniture industries
- 4 members: pulp, paper & board manufacturing and converting industries, and printing industries
- 14 members: other organisations **having specific knowledge of, expertise in and responsibilities for sectorally related issues**, including at least: forest management; social dialogue; publishing; bio-energy; research & innovation and environmental matters
- 28 (max.) Member States (one member each)

## ***New Expert Group on Forest-based Industries and Sectorally Related Issues - 2:***

### **Tasks of the New Expert Group:**

- a) at the request of the Commission or on its own initiative, to **provide the Commission with legal, economic and technical advice on the forest-based industries and sectorally related issues**, in particular in relation to the preparation and implementation of Union policy and legislation;
- b) to **establish co-operation between sectoral and Member State bodies and the Commission** on questions relating to the forest-based industries and sectorally related issues;

c) to **assist the Commission in monitoring the development of policy and activities** in the field of forest-based industries and sectorally related issues;

d) to bring about an **exchange of experience and good practice** in the field of the forest-based industries and sectorally related issues.

Member States, forest-based industries and other sectorally relevant bodies have been invited to appoint one representative plus one alternate (back-up) each. A list of members and representatives will be published in the Commission's Expert Group Register.

1st plenary meeting 21/11/2014

## **F-BI Expert Group plenary meeting 21/11/2014:**

Presented detailed draft work programme for 2014-16 to further implement F-BI Blueprint

Remedial activities categorised by actors (EU, F-BI, MS) for reporting on progress and indicating future intentions, e.g. within national sectoral strategies:

**EU/EC** (in addition to those already mentioned):

- trade agreements: market access for exports
- sustainability criteria over whole life cycle
- better information on wood supply: JRC study
- facilitate access to RTD funding for SMEs



## **Forest-based Industries:**

- follow up communications on sustainable building
- value-chain co-operation for sustainable wood supply
- identify needs and provisions for education, training and skills development in F-BI (NB Social Dialogues)
- raise awareness, knowledge & visibility of sub-sectoral issues affecting image along whole value chains

## **Member States:**

- develop: forest & other infrastructures
- training and finance for more wood harvesting
- stimulating favourable conditions for construction
- recover & recycle more wood products and residues
- facilitate restructuring of F-BI sub-sectors
- promote forest-based sector innovation



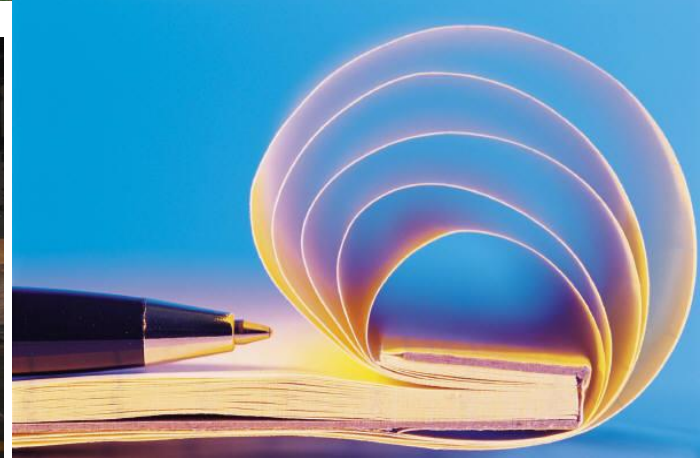
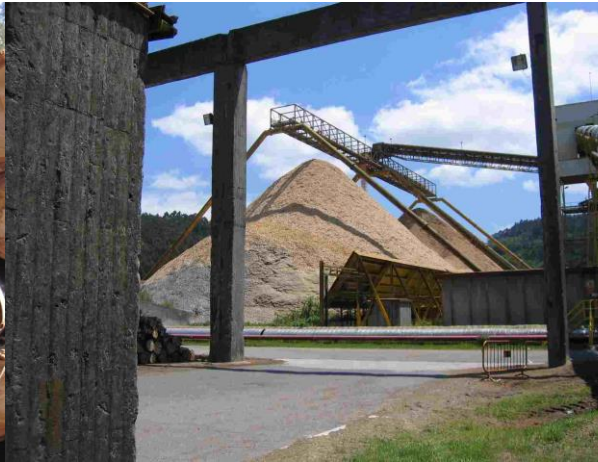


European  
Commission

**Thank you!**

**Merci!**

**Danke!**



[http://ec.europa.eu/enterprise/forest\\_based/index\\_en.html](http://ec.europa.eu/enterprise/forest_based/index_en.html)



## More information:

### Forest-based Industries::

**New functional mail-box:** [entr-f-i@ec.europa.eu](mailto:entr-f-i@ec.europa.eu)

### Web-site:

[http://ec.europa.eu/enterprise/sectors/wood-paper-printing/index\\_en.htm](http://ec.europa.eu/enterprise/sectors/wood-paper-printing/index_en.htm)

### EU “Raw Materials Initiative” web-page:

[http://ec.europa.eu/enterprise/non energy extractive industries/raw materials.htm](http://ec.europa.eu/enterprise/non_energy_extractive_industries/raw_materials.htm)

### European Innovation Partnership Raw Materials:

[http://ec.europa.eu/enterprise/policies/raw-materials/innovation-partnership/index\\_en.htm](http://ec.europa.eu/enterprise/policies/raw-materials/innovation-partnership/index_en.htm)

### Horizon 2020:

<http://ec.europa.eu/research/horizon2020>