



Current trends and developments on wood energy market trends in the Western Balkans

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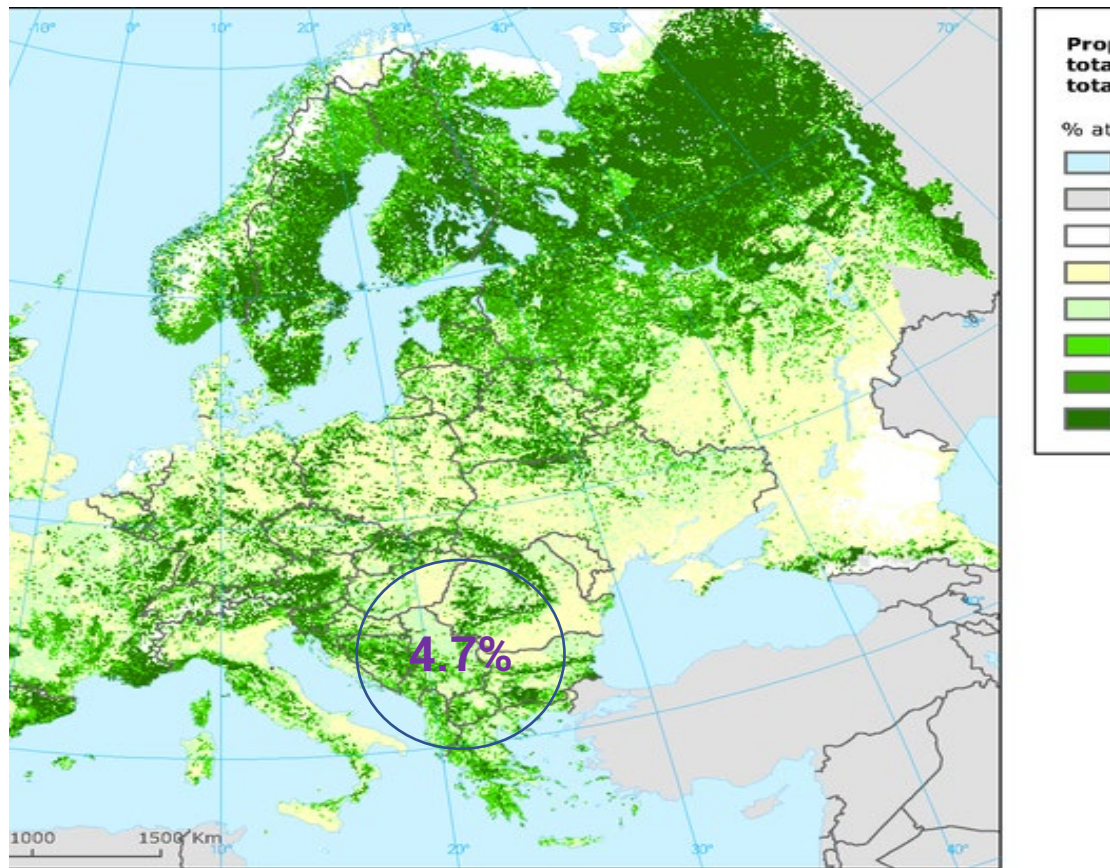
San Marino, 20-23 November 2023



Presentation Outline

1. Position of the Region in the European Wood Fuels Market
2. Wood energy market in 2022 and 2023
3. Price trends
4. Policy developments
5. Outlook for 2024

Position of the Western Balkans in the European Wood Fuels Market

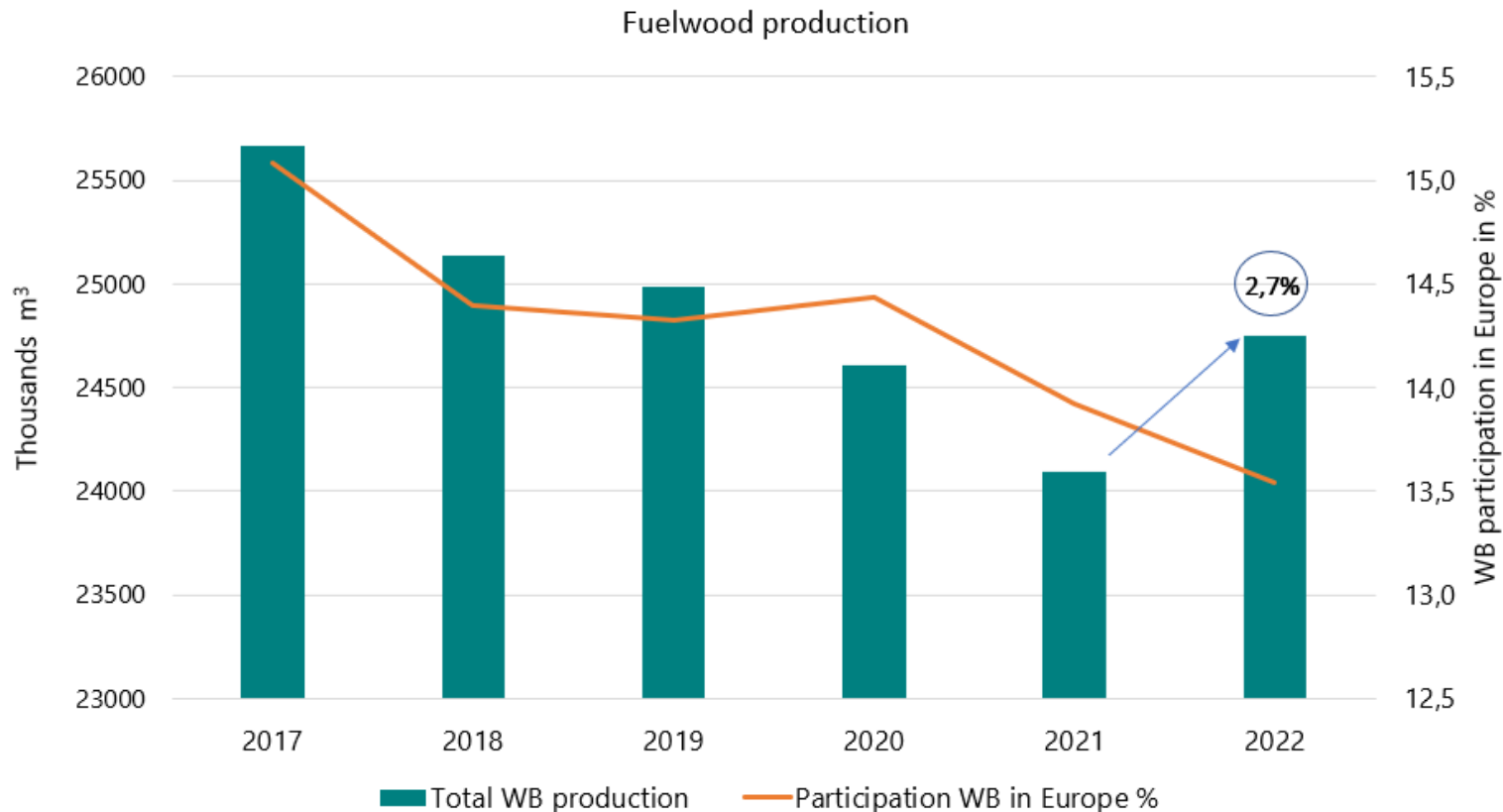


Source: <https://www.eea.europa.eu/data-and-maps/figures/forest-map-of-europe-1>

WB participation in the production in 2022:

- Fuelwood: **13.5%**
- Wood pellets: **8.4%**
- Wood chips and particles: **2.1%**
- Wood charcoal: **11,6%**

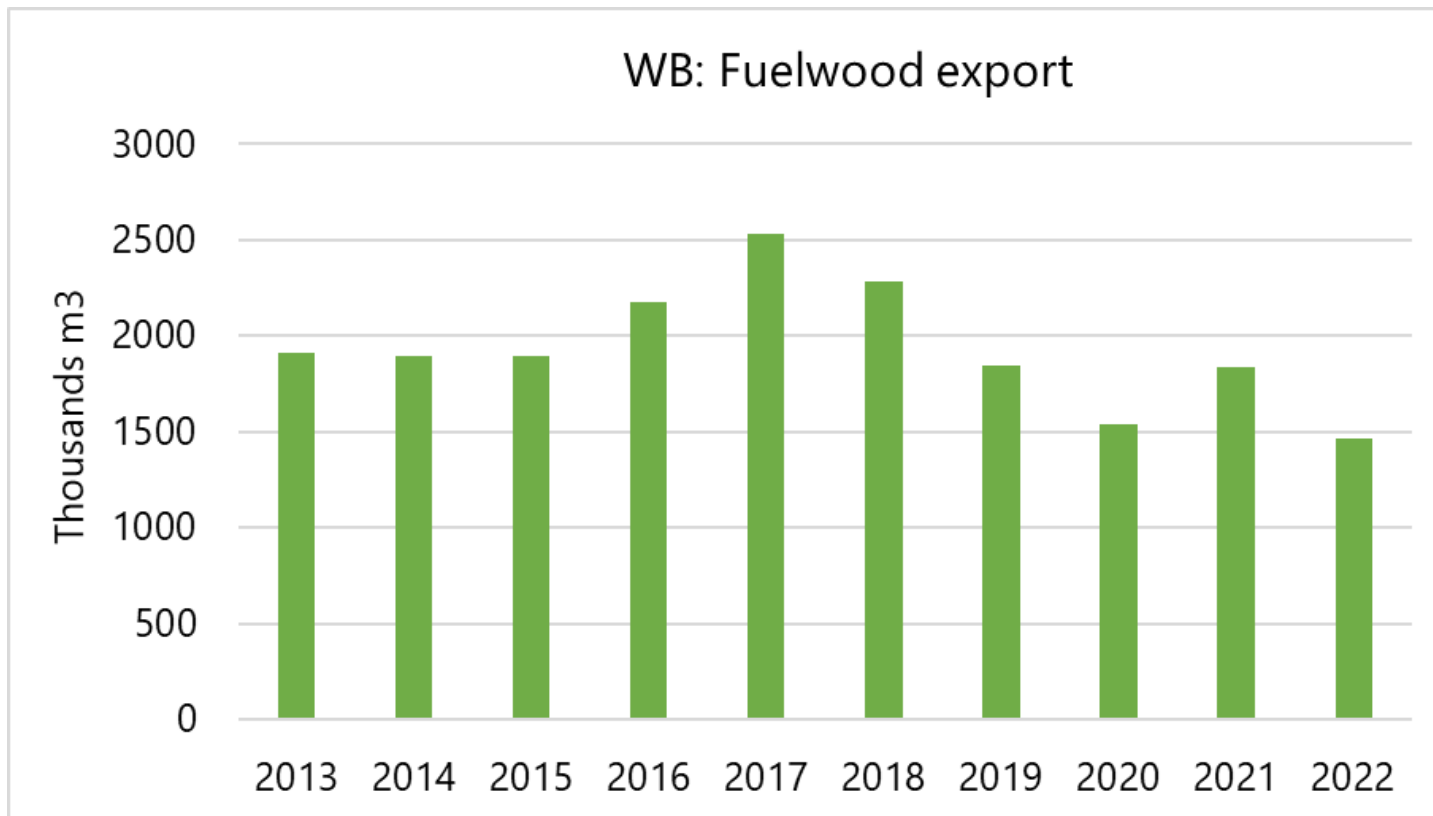
Fuelwood production in the Western Balkans in 2022 and 2023



- Fuelwood is the most important fuel for household heating
- 2022: Production increased 2.7% or 0.66 million m³
- 2023: production is expected to decline

Sources: FAO database and University of Belgrade-Faculty of Forestry

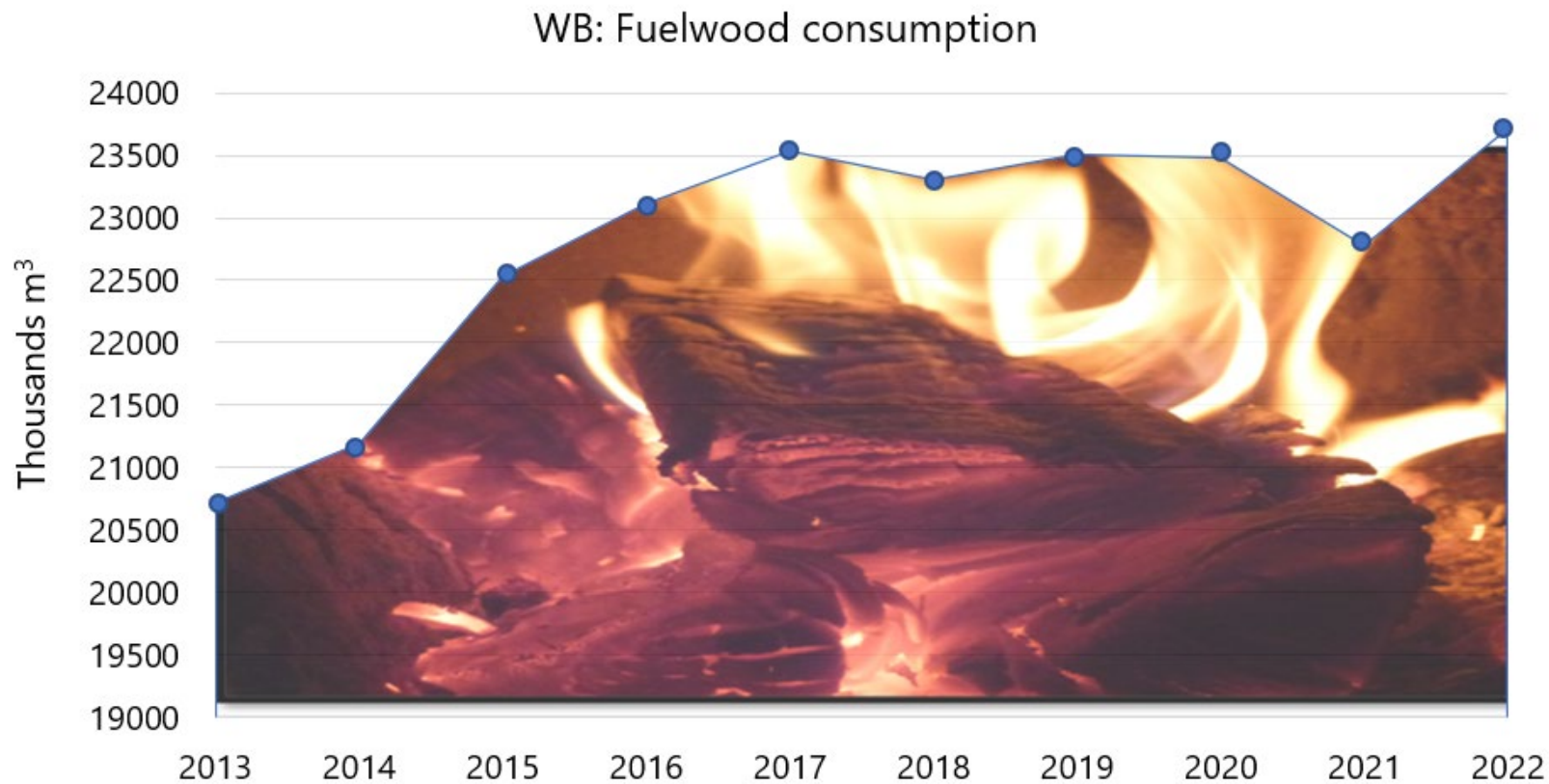
Fuelwood export from the Western Balkans



Sources: FAO database and University of Belgrade-Faculty of Forestry

- 2022: Total export of fuelwood amounted to 1.46 M m³
- 2022: 20.3% decrease in exports in terms of quantity
- 2022: The average value of 1m³ of exported fuelwood was \$124 in 2022 or 46% higher than in 2021
- 2022: Total export value: US\$ 181.2 M
- 2023 (I-VIII): export fell by 11.6%

Fuelwood consumption in the Western Balkans



2022: panic buying of fuelwood

2022: Total consumption 23.7 M m³ or 0.9 M m³ more than 2021

2023: continuation of consumption growth

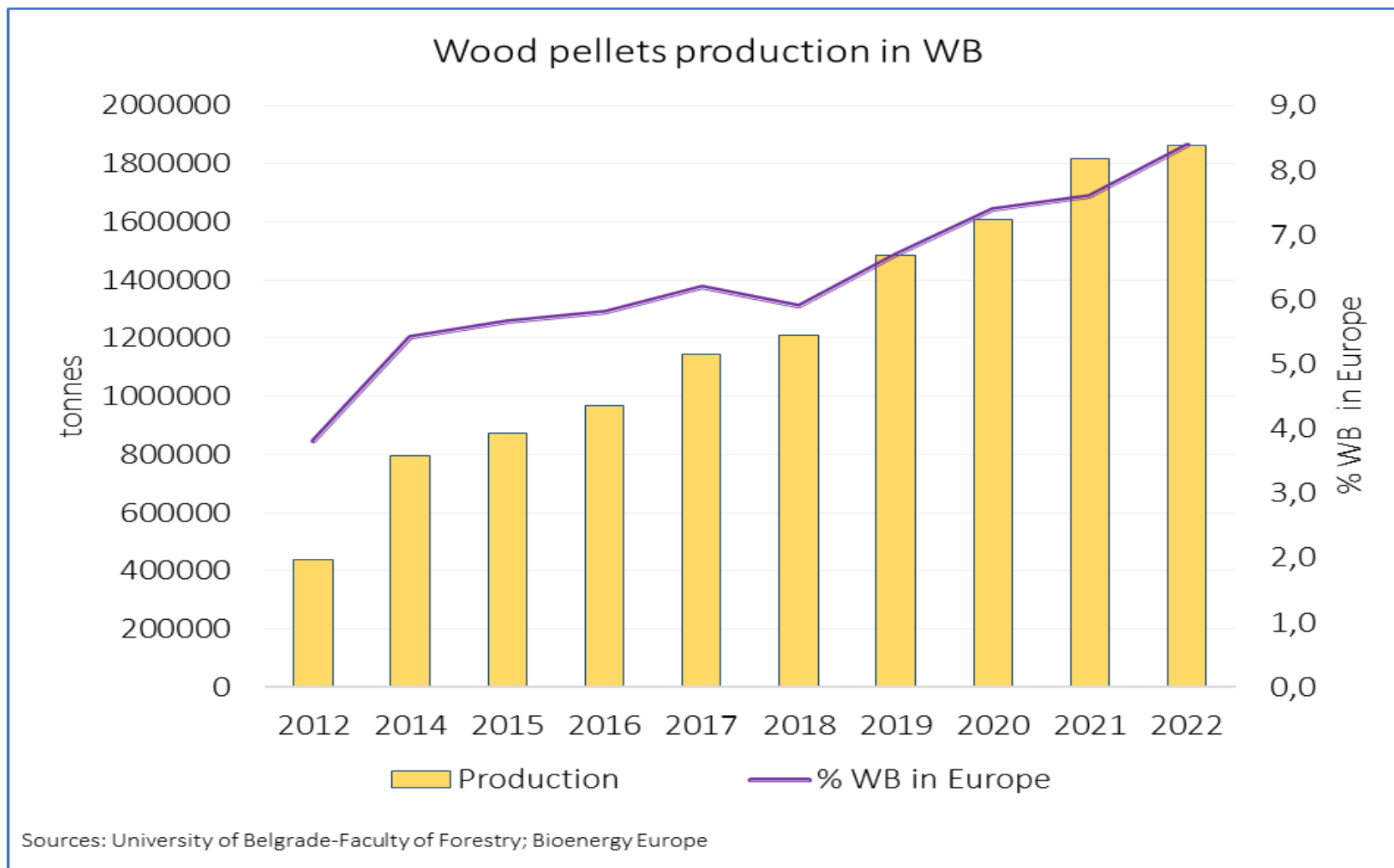
Wood pellets market in the Western Balkans



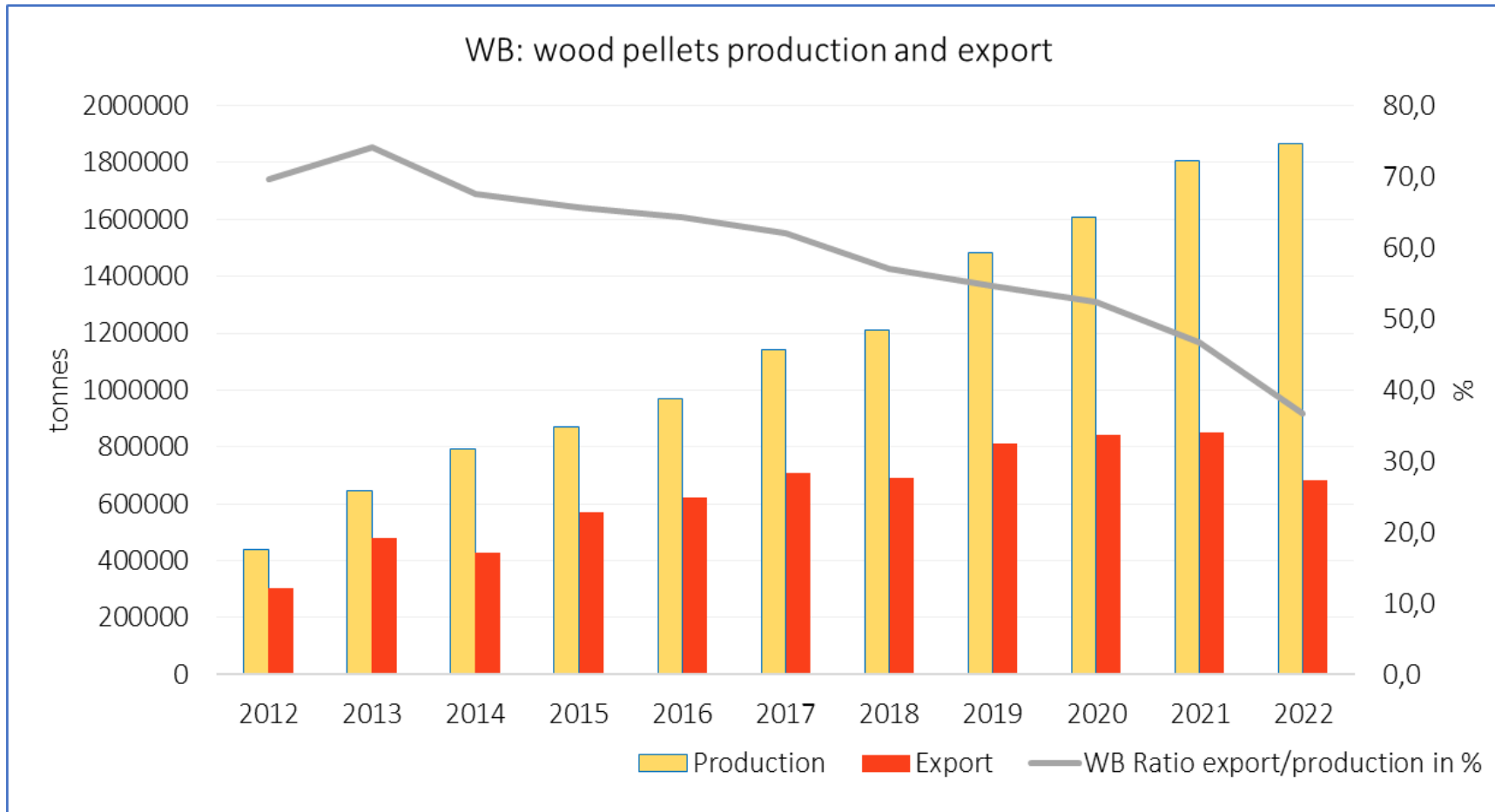
2022.

- Extremely high price growth
- Limitations on retail price levels in most countries of the region
- Difficulties in sourcing wood raw materials for pellets production
- Export ban in most countries
- Large stocks in factories at the end of the year

Wood pellets production in the Western Balkans



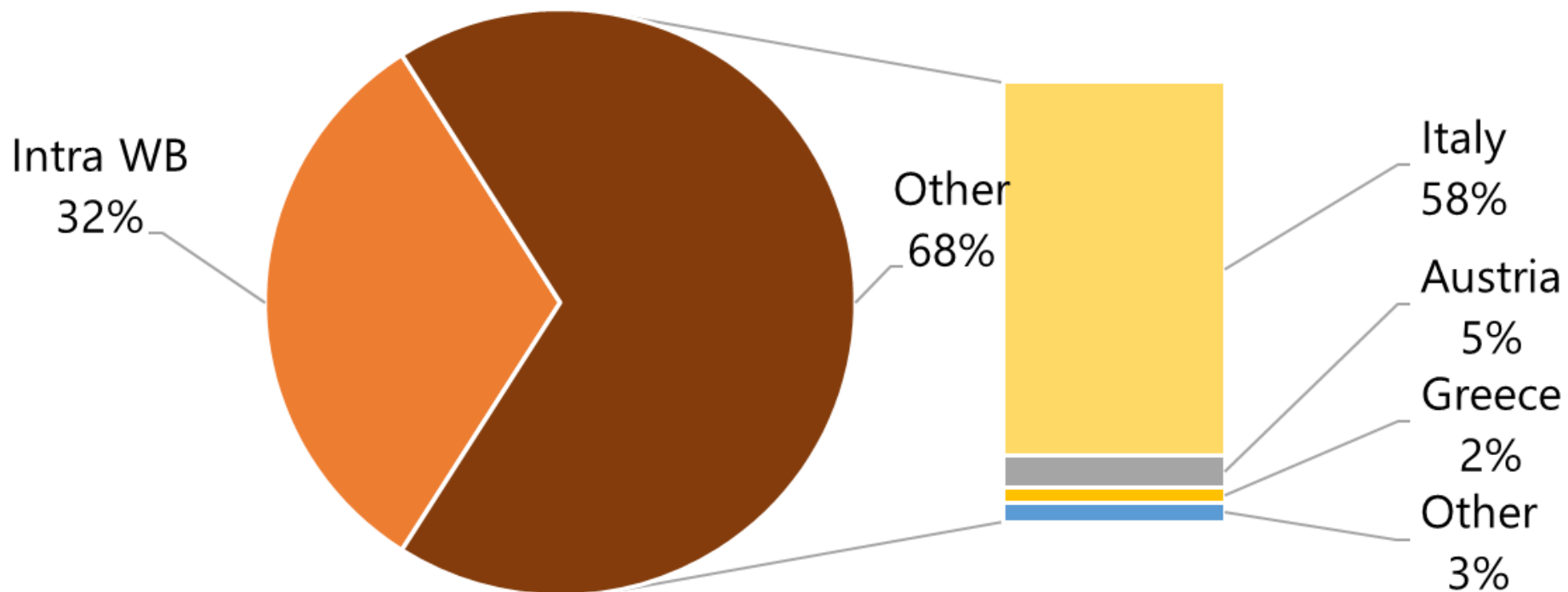
Wood pellets export from the Western Balkans



- 19% decline in export quantity
- 40% increase in export value
- 2022. Average export price \$323 per tonne (89% higher than 2021)

2022: Main export destinations

Wood pellets export from the Western Balkans

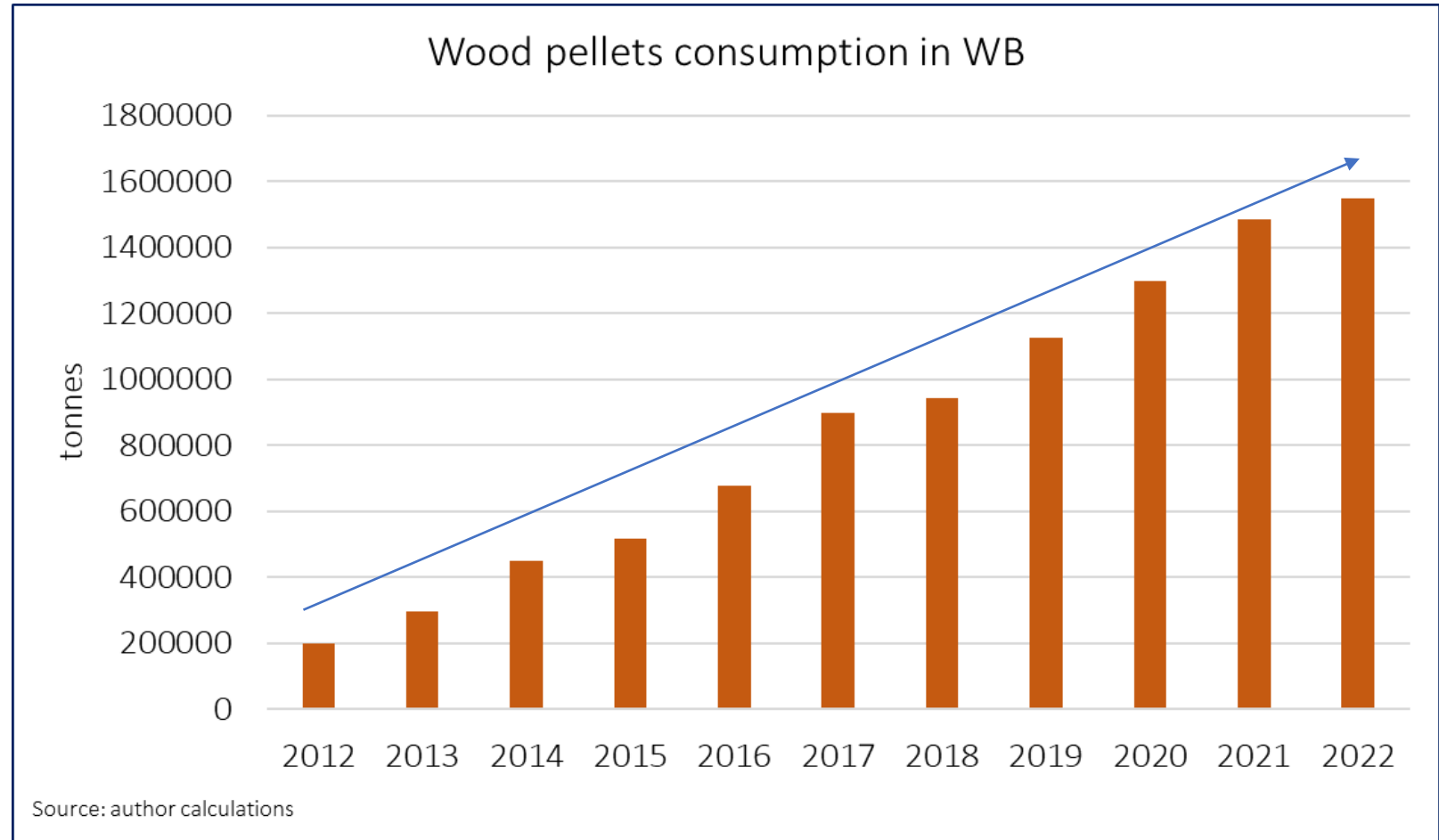


Wood pellets consumption in the Western Balkans

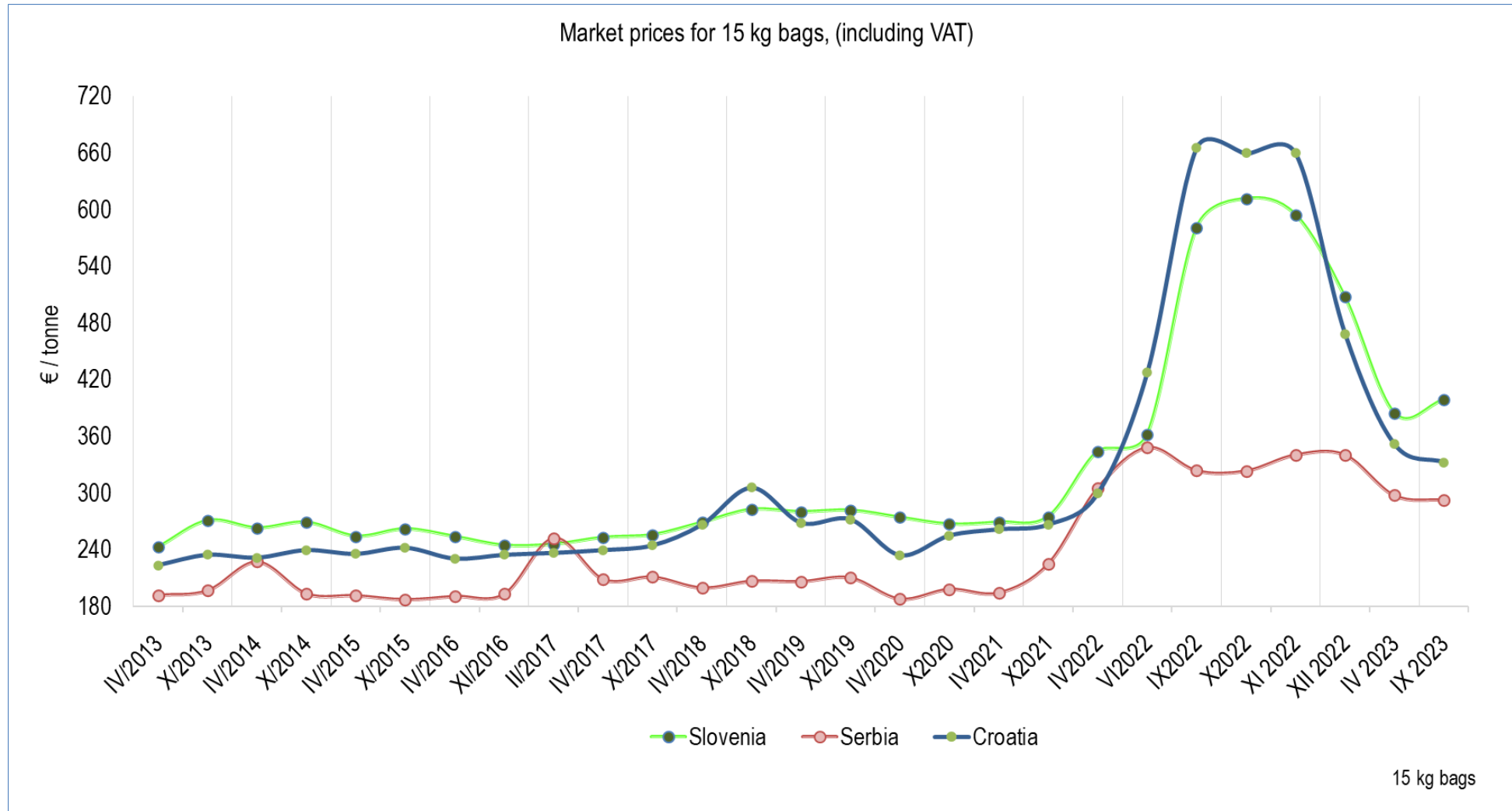
2022: growth of 4%

1.55 million tonnes

Serbia: Large decline of pellets consumption



Price trends of wood pellets



Policy developments

Key Government measures for market stabilization in **2022.**

- export bans,
- limits on retail prices
- limits of trade margin, and
- reduced VAT rates.

2023.

All restrictions have been lifted at the beginning 2023. Prices are freely formed.

Outlook for 2024

- Continued price decline is expected in the first quarter of 2024 due to high pellet and fuelwood stocks
- The continuity in the supply of wood raw materials should persist
- Initiatives for incorporating pellets into electricity production?
- Gradual normalization of production is anticipated in the second half of 2024.



Thank you



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APPENDIX | ICONS

