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1. General economic trends (affecting forests and the forest industries sector)

1.1 In autumn projection for 2024, German Government expects a further slight decline in GDP and an increasing recovery in the next two years ¹

The German economy is currently increasingly affected by structural factors resulting from demographic change, a more difficult competitive position and geo-economic fragmentation. In addition, economic effects such as persistently weak demand from home and abroad and the continued restrictive monetary policy are weighing on economic development. Leading indicators such as industrial production and the business climate indicate that the economic downturn will continue into the second half of the year. At the turn of the year 2024/25, growth momentum should then gradually pick up again. Falling inflation, noticeably increased real incomes and falling interest rates are already positive.

Against this background, in its autumn projection, the Federal Government assumes that German economic output will fall by 0.2 percent in real terms this year. At the beginning of 2025, the buoyant forces should then gain momentum again as private consumption picks up, demand for industrial products from abroad recovers and investment activity turns around. In addition, there are supporting effects from the measures of the growth initiative, through which the Federal Government is systematically tackling Germany's structural problems: by strengthening investment incentives, increasing work incentives for older employees, making it easier to recruit skilled workers from abroad, reducing bureaucracy, permanently reducing electricity tax for manufacturing companies and extending electricity price compensation for energy-intensive companies. Overall, the Federal Government is expecting the real gross domestic product to increase by 1.1 percent in 2025, and the growth is likely to increase again to 1.6 percent in 2026.

¹ <https://www.bmwk.de/Redaktion/DE/Artikel/Wirtschaft/Projektionen-der-Bundesregierung/projektionen-der-bundesregierung-herbst-2024.html>

Table 1: Key figures of the 2024 autumn projection

Gross domestic product by expenditure (price adjusted)	2023	2024	2025	2026
<i>Year-on-year change (in per cent)</i>				
Gross domestic product	-0.3	-0.2	1.1	1.6
Private consumption ²⁾	-0.4	0.2	1.0	1.2
Public sector consumption	-0.1	2.0	0.9	1.3
Gross fixed capital formation	-1.2	-3.4	0.7	3.5
- of which equipment	-0.8	-6.8	1.4	5.3
- of which buildings	-3.4	-3.9	-0.6	2.6
- of which other investment	4.7	4.2	3.2	3.0
Changes in inventories and net acquisition of valuables (contribution to GDP growth)	0.1	-0.4	0.2	0.0
Domestic demand	-0.4	-0.6	1.1	1.7
Exports	-0.3	-0.1	1.7	2.8
Imports	-0.6	-1.2	1.9	3.1
Net foreign demand (contribution to GDP growth) ³⁾	0.1	0.4	0.0	0.0
Price development of consumer spending by households ²⁾	6.7	2.6	2.0	1.9
Gainfully employed persons (domestic)	0.7	0.4	0.3	0.3
Unemployment ratio (Federal Employment Agency)	5.7	6.0	5.9	5.5

²⁾ Including non-profit-making organisations

³⁾ Absolute change in net foreign demand in per cent of pre-year GDP (= contribution to change in GDP)

1.2 The economic situation in Germany in October 2024²

Current economic indicators point to continued weaknesses in the German economy in the past quarter. Industrial production was 1.4 percent below the level of the second quarter on average in July and August, and current sentiment indicators do not yet indicate a recovery. The ifo business climate deteriorated for the fourth time in a row in September, with companies' sentiment deteriorating both with regard to current business and with regard to the coming months. In the manufacturing sector in particular, there was a significant decline

² <https://www.bmwk.de/Redaktion/DE/Pressemitteilungen/Wirtschaftliche-Lage/2023/20230714-die-wirtschaftliche-lage-in-deutschland-im-oktober-2023.html>

to the lowest level since June 2020 in view of the persistently weak order situation and declining capacity utilization.

The economic weaknesses are also increasingly reflected in the mood of service providers - an area whose dynamics had a stabilizing effect until recently. The business climate in the service sector has deteriorated, particularly with regard to the current situation, while expectations were somewhat less sceptical. The mood in tourism and the hospitality industry in particular brightened, while trade continued to be characterized by pessimism.

Despite the disappointing development of consumer sentiment in recent months, current indicators point to a bottoming out of consumer spending by private households in Germany. According to the recently published data from the Federal Statistical Office, retail sales recovered noticeably in July and August. New vehicle registrations by private individuals also increased noticeably in September, but were still a good 2 percent below the previous quarter in the third quarter after seasonal adjustment. Overall, however, private consumption is likely to show some stabilization. Nonetheless, concerns about job security and geopolitical crises continue to represent risk factors for a sustainable recovery in consumer climate.

In its autumn projection, the Federal Government is assuming a further, slight decline in overall economic value added in the third quarter, with the definition of a "technical recession" being met after the slightly declining second quarter. The economic weaknesses are therefore likely to continue in the second half of 2024, before growth momentum gradually increases again next year. The economic recovery is likely to be driven initially by a recovery in private consumption, before exports increase over the course of the year as foreign demand picks up and there is a reversal in the trend in investment. This recovery is flanked and strengthened by the supply and demand policy measures of the growth initiative, which includes numerous proposals for stronger work incentives, reducing bureaucracy and improving the economic environment for companies; and forms the basis for a reliable, investment-oriented and growth-oriented economic policy.

2. Selected policy measures affecting the forestry sector

2.1 Climate Action Targets, Policies and Measures related to the forestry sector

The greatest challenge for strengthening the contribution of forests to climate action lies in the adaptation of forests to climate change. This is absolutely necessary to leverage synergies with sustainable, close-to-nature forest management and the promotion of forests' carbon sink capacities, both in standing stock and in deadwood and soil, and greater use of wood in the form of durable products.

However, first outcomes of the Fourth National Forest Inventory, implemented in 2022, showed that the important function of forests as natural carbon sinks has changed. Climate challenges have caused the forests to become a carbon source since 2017.

Since 2021, the Federal Climate Change Act postulates in para 3a that the contribution of the LULUCF sector to climate change mitigation is to be increased. More specifically, the annual emissions balances for land use, land-use change and forestry sector are to be improved as follows:

- to at least minus 25 million tonnes of carbon dioxide equivalents by the year 2030,
- to at least minus 35 million tonnes of carbon dioxide equivalents by the year 2040,
- to at least minus 40 million tonnes of carbon dioxide equivalents by the year 2045.

In order to ensure that these climate targets will be met, the German Government annually monitors progress with regard to targets and reviews as well as adapts its climate action programmes on a regular basis. The latest Climate Action Programme 2023 was agreed in October 2023 and included several measures related to the forestry sector, i.e. a new Action Plan on Nature-based Solutions for Climate and Biodiversity, a climate-adapted forest management scheme, improved GHG monitoring and reporting in the LULUCF sector, as well as the creation of sustainable and regional value chains for wood as a resource.

With its [Action Plan on Nature-based Solutions for Climate and Biodiversity](#), the German Government aims to make a key contribution to significantly improving the general conditions of ecosystems in Germany, thus strengthening their resilience and climate mitigation performance. Forest ecosystems are one of the dedicated fields of action in the plan. This plan foresees to

- increase forest cover in order to promote biodiversity
- create species-rich, near-natural and climate-resilient mixed deciduous forests through forest restoration and conversion
- create financial incentives for additional climate and biodiversity services in forests
- protect old-growth, near-natural beech forests

A further element for achieving these targets is preserving and improving the sink capacity of forests, including increasing carbon storage in wood products. In addition, the CO₂ reduction potential of sustainable forest management, the adaptation of forest to climate change, the closely related use of wood and the climate potential of natural forest development must be tapped. Measures to this end are supported by the Joint Task for the Improvement of Agricultural Structures and Coastal Protection (GAK).

Since extreme weather events will become more frequent as climate change progresses and site conditions change due to climate change, there is high urgency to better adapt existing forests to climate change by accelerating the forest conversion that has already begun, and to restore the already damaged areas as close to nature and climate-resilient mixed broadleaved forests. As part of the German Government's climate action package to promote close to nature forest management and repair damage caused by extreme weather events, around EUR 480 million have been available under the GAK to support private and municipal forest owners. The measure is co-financed by the federal states, therefore a total of around 800 million euros was available for the period up to 2023.

Funding is also available for measures funded by the Forest Climate Fund to preserve and expand the CO₂ reduction potential of forests and wood, and to adapt German forests to climate change.

In autumn 2022, the Federal Government launched a new “climate-adapted forest management” support scheme. Under this scheme, forest owners are required to implement specific forest management practices addressing forest biodiversity and adaptation to climate change with a view to improving the provision of all forest ecosystem services. Thus far, it has been possible to issue more than 8,800. These have been committed to meeting the criteria of the support scheme for 10 years or 20 years. Since January 2024, the Programme has been financed through the National Action Plan on Nature-based Solutions for Climate and Biodiversity, which is part of the National Climate and Transformation Fund.

2.2 National Forest Strategy

Germany is one of the most densely forested countries in Europe, with around one third of its territory covered by forests. It is primarily mixed forests, characterising German forests with an area share of 76%. The extreme weather of the past six years represents a turning point. Since 2018, storms, drought and the bark beetle outbreak have caused massive damage: more than 500,000 hectares need to be reforested with climate-adapted species in clearcut conditions.

It has now been over 10 years since the German Federal Government decided on a national forest strategy. In 2021, the Forest Strategy 2050³ of the Federal Ministry of Food and Agriculture (BMEL) was presented as a departmental strategy. Currently, the Federal Government is developing a new national forest strategy.

2.3 German “Charter for Wood 2.0”⁴

The Federal Government’s “Climate Action Plan 2050” addresses the “Charter for Wood 2.0” as one particular milestone.⁵ The “Charter for Wood 2.0” aims to promote the use of wood from sustainable forestry as a positive contribution to climate action, resource efficiency and value creation; and through its activities in seven fields of action, it also supports the key objectives of the coalition agreement.

Using wood in urban and rural construction, new potential for wood in the bioeconomy, material and energy efficiency as well as forests and wood as resources are among the central fields of action in the Charter for Wood 2.0, which are addressed in working groups, events and publications. The findings feed into research, development and knowledge transfer and contribute to redirecting the use of wood more strongly from energetic to higher-quality material use in favour of climate action and value creation. Sustainable construction with wood, conflicting goals around wood as well as the wood-based and circular bioeconomy are currently of particular relevance in the Charter dialogue process. The report on key figures⁶ provides a comprehensive overview of the Forest & Wood cluster. As part of the evaluation of the Charter for Wood 2.0 carried out by the Thünen Institute, the report uses key figures to present trends and developments. This way,

³ <https://www.bmel.de/DE/themen/wald/waldstrategie2050.html>

⁴ <https://www.charta-fuer-holz.de/>

⁵ http://www.bmub.bund.de/themen/klima-energie/klimaschutz/klima-klimaschutz-download/artikel/klimaschutzplan-2050/?tx_ttnews%5BbackPid%5D=3915

⁶ https://www.charta-fuer-holz.de/fileadmin/charta-fuer-holz/dateien/service/mediathek/FNR_Charta-Kennzahlenbericht_2022_23_bf.pdf

interactions can be recognised and the need for action in the Charter dialogue process can be continuously adapted.

2.4 Climate change-induced calamities since 2018

Since 2018, 241 million solid cubic meters have been cut for damage management in softwood alone.

Since the beginning of the drought in 2018, approximately 0.5 million hectares have been reforested. Forest owners are making efforts to generate new forests as mixed forests to ensure that the diverse forest functions can be maintained for the longer term, even in the face of climate change.

2.5 Enhancing energy efficiency in buildings⁷

In the building sector, it has been possible to more than halve greenhouse gas emissions (-51,3 %) since 1990. In 2023, the building sector emitted 102.2 million tonnes CO₂-eq, which equals a reduction of 10 million tonnes as compared with the previous year. This means that the annual emissions specified in the Climate Change Act (101.1 million) were met almost exactly for the first time in 2023. In 2022 and 2023, emissions were reduced by 7 % and 8 % as compared with the previous year.

In order to meet the very ambitious targets of the Effort Sharing Regulation, the Federal Government intends to step up the promotion of energy-efficient building refurbishment over the next two years as part of the Immediate Climate Action Programme: 4.5 billion euros alone are to be made available for this purpose. From 2021, the Federal Government no longer aims to subsidise heating systems running exclusively on fossil fuels.

The medium and long-term climate goals in the building sector can only be achieved if a rapid and significant increase in renovation dynamics is achieved, which includes both an increase in the renovation rate and depth, and the heat supply is decarbonised at the same time. The aim must therefore be to effectively reduce the heating and energy requirements of buildings (increase in energy efficiency), and to promote the use of renewable energy sources. Therefore, for example, an amendment to the Building Energy Act was passed in 2023, which stipulates that heating systems must be operated with at least 65% renewable

⁷https://www.bmwsb.bund.de/SharedDocs/downloads/Webs/BMWSB/DE/veroeffentlichungen/bauen/sofortprogramm-sektor-gebaeude.pdf?__blob=publicationFile&v=1

energy in future. Therefore, for example, an amendment to the Building Energy Act was passed in 2023, which stipulates that heating systems must be operated with at least 65% renewable energy in future.

The measures chosen as part of the Immediate Climate Action Programme for the building and heating sectors are aimed at strengthening regulatory requirements, diversifying and increasing existing funding programmes, and intensifying eligibility measures as well as serial renovation processes. If implemented consistently, the proposed measures would result in high reduction effects through an increased number of high-quality (deep) renovations of existing buildings as well as specifications for new construction and the transformation of the existing heating network structure.

These measures include:

- Federal funding for efficient buildings
- Guidelines for the funding of pilot projects for serial renovation and accompanying measures
- Federal funding for efficient heating networks
- Municipal Heat Planning Act
- Development programme and eligibility campaign for heat pumps
- Optimization of existing heating systems
- Public buildings initiative
- Refurbishment of municipal facilities in the areas of sport, youth and culture
- “Zukunft Bau” model project for innovation in the building sector

2.6 Wood construction initiative

The Federal Government’s wood construction initiative (*Holzbauintiative*) was adopted by the Federal Cabinet in June 2023. In presenting its initiative to promote wood construction as a key contributor to climate-appropriate and resource-efficient construction, the Federal Government is implementing a coalition agreement objective.

Buildings account for a significant share of carbon emissions. In order to achieve the much-needed transformation towards making Germany’s building stock climate-neutral, the advantages offered by technologies already available to achieve greenhouse gas reductions, and also long-term carbon capture, must be exploited.

In the building sector, wood for use in structural and civil engineering is, thus far, the only technology available today with which carbon can be captured in the supporting structures and shells of buildings. In addition, when compared with other forms of construction, the

substitution potential of wood construction can demonstrably contribute to greenhouse gas reduction. Given the current huge demand for affordable housing, wood construction offers additional potential for redensification in urban spaces in the form of adding additional storeys or floors, building extensions and closing gaps between buildings.

Against the backdrop of the impact of the climate crisis on our forests, greater use of wood construction would also contribute to wise uses of coniferous wood, resulting from the much-needed transition to mixed and deciduous forests, and thereby increasing added value and boosting regional value chains. Given the fact that sustainable timber supply is limited because of restrictions resulting from a given forest area and growth rates from trees, the amount of timber flowing into the construction and building sector can only be magnified when the general allocation of timber over all timber-processing sectors is redirected.

The initiative will be used to implement measures surrounding promotion and funding, research and development, and specialist and consumer information. It will also involve a review of the current legal provisions which unjustifiably hinder the use of available technology in wood construction, thereby creating a level playing field. Another key component of the initiative involves dialogues and exchanges with the *Länder* (federal states), some of which have already implemented their own programmes and initiatives to promote wood construction or are planning corresponding activities.

The wood construction initiative runs until 2030 and interfaces with a wide range of other policy strategies and programmes at various different levels (at EU level, notably the EU Green Deal and the New European Bauhaus (NEB) initiative).

3 Market drivers

current market situation as of Sept. 2024

On average, prices for roundwood fell during 2023 and in the first half of 2024. However, different developments of roundwood species can be observed.

Softwood sawlogs: The prices for sawlogs of spruce showed a steady increase in the first half of 2024. However, there has been a large drop in prices in summer of 2023. The prices of pine sawlogs showed a negative development until summer 2023. Since then, prices seem somehow stable, according to producer price indices of the Federal Statistical Office.⁸ The

⁸ [Producer price indices for logging products from national forests: Germany, months, logging products,, \(StBA-genesis table 61231-0002\)](#)

demand for softwood seems to be covered, mainly due to a sluggish economic development in general and a specifically weak construction sector.

Pulpwood and fuel wood: After steep price increases of fuel wood in 2022, prices remained on a relatively high level in 2023. However, prices declined constantly in the last months. This is mainly due to sufficient supply of alternative energy sources in general in Germany and relatively moderate temperatures during the last Winter 2023/2024. Price developments for pulp wood showed a constant decline in 2023 as well as in the first half of 2024. The reasons for this development are similar to what was stated for softwood sawlogs.

Hardwood: Prices of hardwood sawlogs declined constantly throughout 2023 and the first half of 2024. Prices of beech sawlogs and oak sawlogs have shown similar developments since the beginning of 2023. Demand from abroad is at a comparable level as in previous years. A relevant factor for hardwood prices is generally the demand for energetic use. As this has settled back to the level of previous years before 2022, and the availability for domestic hardwood processing companies is still continuing to decrease, prices for hardwood fell.

4. Development in forests and forest products market sectors

4.1 Wood raw materials

Damaged wood fellings still play a significant role in German roundwood supply, with a volume of 38 million m³, according to official felling statistics. Insects are still the main cause, they account for more than 80 per cent of fellings of damaged wood. In addition, the species group of spruce, including fir and douglas fir, is still most affected, with around two third of all damaged wood fellings. Damaged wood fellings were reduced in 2023, compared to previous years. However, in total, in the years 2018 to 2023, the amount of damaged wood amounts to about 272 million m³. The highest amount of damaged wood fellings was recorded in the years 2020 and 2021, with 60.1 and 50.5 million m³ respectively⁹. More than 500,000 hectares of forest area will have to be reforested over the next few years due to forest damage in Germany.

It was stated in previous market statements that it is known in Germany that official felling statistics have historically underestimated timber volumes harvested and removed from

⁹ Destatis (2024): Logging statistics. Federal Statistical Office, Wiesbaden 2024 | Date: Sep 25, 2024

forests. Especially removals in enterprises managing smaller forest areas (i.e. registration problems) and fuelwood removals are underestimated. In order to provide more realistic accounts of harvesting volumes, a methodological approach has been developed in Germany. The method is based on the recalculation of the used amount of roundwood, differentiated into the various users (Jochem et al. 2015¹⁰, TI-WF 2024¹¹). Considered data sources include official statistics, statistics of industry associations, and results of various empirical studies (e.g. fuelwood consumption in private households). Interestingly, in years of very high damaged wood fellings, official statistics show much better agreement with the results of the use-side calculation. This may be due to a better estimation of fellings in private forests in light of these damages. However, in the last two years, official data on felling once again show an underestimation.

Data of roundwood fellings and damaged wood fellings for the last ten years are provided in Table 2.

Table 2: Comparison between official felling statistics, Thünen estimation of roundwood fellings and damaged wood fellings (in million m³ of solid wood under bark per year)

Year	Official statistics	damaged wood fellings	Thünen estimation on roundwood fellings
2014	54.4	5.5	68.8
2015	55.6	12.9	69.2
2016	52.2	7.8	67.0
2017	53.5	12.3	66.8
2018	64.6	31.9	75.0
2019	68.9	46.2	74.0
2020	80.4	60.1	79.1
2021	83.0	50.5	84.1
2022	78.7	44.7	86.4
2023	70.6	38.7	75.4

Source: Destatis, Thünen-Institute

¹⁰ Jochem D, Weimar H, Bösch M, Mantau U, Dieter M (2015): Estimation of wood removals and fellings in Germany: a calculation approach based on the amount of used roundwood. *Eur J Forest Res* 134(5):869-888, DOI:10.1007/s10342-015-0896-9

¹¹ TI-WF (2024): Fellings and Use of Roundwood [online]. Hamburg: Thünen Institute of Forestry. Access: www.thuenen.de/en/institutes/forestry/figures-facts/fellings-and-roundwood-use

The constant high supply of domestic roundwood still leads to a high level of exports. In 2023, 8.7 million m³ of roundwood were exported, with China as a main destination. This is a decrease of 18.0 % to the previous year but still one of the highest export volumes ever achieved. Imports of roundwood also decreased about 21.4 % to 4.6 million m³.

Still, the domestic use of roundwood is dominated by softwood (roughly about three quarters of used roundwood are coniferous species). The German timber industry is further based upon softwood processing. Roundwood utilisation accounts for more than 90 % softwood and less than 10 % hardwood species in recent years. The main domestic users of roundwood are sawmills (36.9 million m³ in 2023) and private households, which used 18.1 million m³ as fuelwood for energy generation in 2023.

4.2 Sawnwood (softwood/hardwood)

In 2023, about 19,931 people were employed in the German sawmilling industry (-2.5 % against 2022). The total turnover showed a decrease to 7.9 billion euro (-25.6 % in comparison to the previous year), which clearly shows effects of reduced demand and lower prices. The export quota decreased by 0.7 percentage points to 33.0 %, the export turnover amounted to 2.6 billion euro. Compared with 2022, the entire export turnover decreased by 27.2 % (companies with 20 and more employees)¹².

The market of sawn softwood is mainly influenced by a weak economy, low demand (especially from the domestic construction sector) as well as low demand from export markets.

With about 22.9 million m³, the domestic production of sawn softwood (coniferous) decreased by 5.9 % in 2023 compared with 2022. The apparent consumption of coniferous sawnwood further decreased to 16.0 million m³ (-7.9 % compared with 2022). German exports of sawn softwood decreased to 9.7 million m³ (-10.1 %) and imports decreased to 2.8 million m³ in 2023, a minus of 26.7 % compared to 2022.

The annual apparent consumption of sawn hardwood amounted to 0.7 million m³ and shows a decrease of 9.2 % compared to 2022. The domestic production showed an even more significant decrease with about -12.4 % and is currently at a level of about 0.9 million m³ of sawn hardwood.

¹² „16.1 Säge-, Hobel- u. Holzimprägnierwerke“ (StBA-genesis table 42271-0003)

4.3 Wood-based panels (particle board, fibreboard, MDF, OSB, plywood)

In 2023, the German panel industry employed 14,369 people (-2.3 % against 2022) and recorded a total turnover of 5.4 billion euro. Compared with 2022, the total turnover decreased by 15.4 %, caused by lower demand and lower prices. About 40.7 % of the turnover depended on foreign trade (2.2 billion euro). Compared with 2022, the entire export turnover decreased by 10.3 % (companies with 20 and more employees)¹³. The annual production of the German panel industry in 2023 amounted to 6.2 million m³ of particle boards (including OSB) (-7.1 % compared with 2022) and to 4.6 million m³ of fiberboards (-11.5 %). The apparent consumption of particle boards (including OSB) was estimated to be 6.2 million m³ (-9.7 % compared with 2022) and the consumption of fibreboards was estimated to be 3.1 million m³ (-17.1 %).

4.4 Pulp and paper

In 2023, approximately 37,221 people were employed in the German pulp and paper industry (-0.8 % compared with 2022) at about 172 production sites (no change in comparison to 2022). The total turnover decreased to 17.9 billion euro (change from previous year: -24.3 %). With an export quota of 57.6 %, the export turnover amounted to 10.3 billion euro. Compared with 2022, the entire export turnover decreased by 24.0 % (companies with 20 and more employed persons)¹⁴. The annual production of paper and paperboard amounted to 18.6 million tons (-13.8 % against 2022)¹⁵. The apparent consumption of graphic papers, papers and boards for packaging, sanitary and household papers as well as other papers and boards in total was calculated to be 14.9 million tons (-15.2 % compared with 2022 and according to actual data of the German Paper Industry). Wood consumption by German pulp and paper mills was reported to be 8.3 million m³ in 2023, which is a decrease of 6.1 % compared with 2022.

¹³ „16.21 H.v.Furnier-, Sperrholz-, Holzfaserplatten-und-spanplatten“ (StBA-genesis table 42271-0003)

¹⁴ „17.1 H.v.Holz-u. Zellstoff, Papier, Karton u. Pappe“ (StBA-genesis table 42271-0003)

¹⁵ Die Papierindustrie (2024): Papier 2024 – Statistiken zum Leistungsbericht [Statistics on the Annual Report]. Tab. N8; N16, N18

4.5 Pellet industry and producers of other agglomerates

German producers of wood pellets and other agglomerates showed increases in annual production. In 2023, production increased to 4.3 million tons (+8.9 % compared to 2022). About 937,000 tons of pellets and briquettes have been exported in 2023 (+1.9 % compared with 2022). Imports decreased in 2023 to 761,000 tons (-4.0 % compared to 2022). Domestic consumption increased in 2023 to 4.2 million tons (a plus of 7.9 % compared with 2022). Main raw material sources for pellet production are wood residues originating from softwood sawmills. Additional sources only play a minor role (e.g. residues from forests, fast growing species, hardwood species).

4.6 Value added wood products (including furniture)

The German woodworking and furniture industry (incl. manufacturers of assembled parquet floors, of other builders' carpentry and joinery, of wooden containers and of other products of wood and manufacturers of office and shop furniture, of kitchen furniture and of other furniture¹⁶) employed 145,305 people in 2023 (-3.4 % compared with 2022). 56,107 (+3.8 %) were employed within the woodworking industry, 89,198 (-3.2%) in the furniture industry. The total turnover amounted to 31.5 billion euro, a decrease of 6.4 % compared with 2022. The decrease was a little stronger in the woodworking industry (-8.9 %) while the furniture industry showed a lower decrease (-4.7 %). The turnover of the furniture industry is significantly higher (19.3 billion euro in 2023) than the turnover of the woodworking industry (12.2 billion euro). With an export quota of 23.1 % the export turnover of the woodworking and furniture industry amounted to 7.3 billion euro in 2023. The export quota of the furniture industry is considerably higher than the export quota of the woodworking industry (31.2 % compared to 9.9 % in 2023). The export turnover of the woodworking industry decreased by 19.5 % compared to 2022. This is also true for the export turnover of the furniture industry, which decreased by 4.0 %.

4.7 Housing and construction

The housing and construction sector is most important regarding the use of wood products. In Germany, roughly between one half and two thirds of roundwood are transformed into products designed for building construction and housing elements. In 2023, in the carpentry and wood construction industry, about 74,239 people were employed (-0.6 %) in 12,143

¹⁶ In accordance with NACE Codes 16.22, 16.23, 16.24, 16.29, 31.01, 31.02, 31.09

companies (-0.1%). The total turnover was estimated at about 9.9 billion Euro (-1.8 % compared to 2022). Please note that part of this data is also contained in the woodworking sector in the previous chapter 4.6.

In 2023, 14,957 residential buildings in wood construction were approved, which shows the steep decrease to 2022 with a minus of 36.5 % compared to 2022. Rising interest rates and increasing inflation are two of several reasons leading to strongly reduced activities. However, the timber construction rate increased to 22.0 % in 2023 (plus 0.8 percentage points compared to 2022). The decline in the number of approved non-residential buildings in wood construction is less severe at 9.1 % to 5,520. Nonetheless, the share of all approved non-residential buildings increased to 23.4 % in 2023, a plus of 2.1 percentage points compared to 2022.¹⁷

¹⁷ Holzbau Deutschland. Lagebericht 2024. https://www.holzbau-deutschland.de/fileadmin/user_upload/eingebundene_Downloads/2024-05-06_Lagebericht_2024_lay11_web.pdf

Annex: Highlights of the Timber Forecast Questionnaire

Product Code		Product	Unit	Historical data		Revised	Estimate	Forecast
				2022	2023	2023	2024	2025
				Country: Germany		Date:		
				Name of Official responsible for reply:				
				Official Address (in full):				
				Telephone:				
				E-mail:				
				Fax:				
				TF1 TIMBER FORECAST QUESTIONNAIRE Roundwood				
1.2.1.C		SAWLOGS AND VENEER LOGS, CONIFEROUS						
		Removals	1000 m ³ ub	41.761 N	36.149 N		36.200	35.800
		Imports	1000 m ³ ub	3.300 #	3.000 #		2.300	2.700
		Exports	1000 m ³ ub	5.670 #	5.700 #		4.500	3.500
		Apparent consumption	1000 m ³ ub	39.391	33.449		34.000	35.000
1.2.1.NC		SAWLOGS AND VENEER LOGS, NON-CONIFEROUS						
		Removals	1000 m ³ ub	2.995 N	2.818 N		2.070	2.200
		Imports	1000 m ³ ub	111 #	110 #		100	100
		Exports	1000 m ³ ub	574 #	520 #		670	700
		Apparent consumption	1000 m ³ ub	2.532	2.408		1.500	1.600
1.2.1.NC.T		of which, tropical logs						
		Imports	1000 m ³ ub	10 #	10 #		10	10
		Exports	1000 m ³ ub	5 #	5 #		5	5
		Net Trade	1000 m ³ ub	5	5		5	5
1.2.2.C		PULPWOOD (ROUND AND SPLIT), CONIFEROUS						
		Removals	1000 m ³ ub	10.541 N	9.444 N		9.200	9.200
		Imports	1000 m ³ ub	2.200 #	2.100 #		1.600	1.800
		Exports	1000 m ³ ub	2.430 #	1.700 #		1.800	1.500
		Apparent consumption	1000 m ³ ub	10.311	9.844		9.000	9.500
1.2.2.NC		PULPWOOD (ROUND AND SPLIT), NON-CONIFEROUS						
		Removals	1000 m ³ ub	1.103 N	1.256 N		1.200	1.300
		Imports	1000 m ³ ub	259 #	270 #		180	200
		Exports	1000 m ³ ub	246 #	190 #		280	300
		Apparent consumption	1000 m ³ ub	1.116	1.336		1.100	1.200
3		WOOD CHIPS, PARTICLES AND RESIDUES						
		Domestic supply	1000 m ³	16.292 C	15.886 C		15.500	15.700
		Imports	1000 m ³	1.787 C	1.658 C		1.500	1.500
		Exports	1000 m ³	3.048 C	3.355 C		3.300	3.300
		Apparent consumption	1000 m ³	15.031	14.189		13.700	13.900
1.2.3.C		OTHER INDUSTRIAL ROUNDWOOD, CONIFEROUS						
		Removals	1000 m ³ ub	123 N	109 N		110	110
1.2.3.NC		OTHER INDUSTRIAL ROUNDWOOD, NON-CONIFEROUS						
		Removals	1000 m ³ ub	12 N	18 N		20	20
1.1.C		WOOD FUEL, CONIFEROUS						
		Removals	1000 m ³ ub	8.834 N	8.723 N		9.500	9.200
1.1.NC		WOOD FUEL, NON-CONIFEROUS						
		Removals	1000 m ³ ub	13.504 N	13.489 N		12.900	12.600

Product Code		Product	Unit	Historical data		Revised	Estimate	Forecast
				2022	2023	2023	2024	2025
		Country: Germany		Date:				
		Name of Official responsible for reply:						
		Official Address (in full):						
		Telephone:		Fax:				
		E-mail:						
		TF2						
		TIMBER FORECAST QUESTIONNAIRE						
		Forest products						
6.C		SAWNWOOD, CONIFEROUS						
		Production	1000 m ³	24.314 N	22.889 N		22.200	22.650
		Imports	1000 m ³	3.763	2.815		2.530	2.400
		Exports	1000 m ³	10.781	9.729		9.150	9.620
		Apparent consumption	1000 m ³	17.295	15.975		15.580	15.430
6.NC		SAWNWOOD, NON-CONIFEROUS						
		Production	1000 m ³	1.028 N	900 N		850	900
		Imports	1000 m ³	420	270		280	300
		Exports	1000 m ³	721	502		530	600
		Apparent consumption	1000 m ³	727	668		600	600
6.NC.T		of which, tropical sawn wood						
		Production	1000 m ³	4 N	2 N		2	2
		Imports	1000 m ³	79	56		43	45
		Exports	1000 m ³	50	30		27	30
		Apparent consumption	1000 m ³	33	28		18	17
7		VENEER SHEETS						
		Production	1000 m ³	110 C	112 C		110	110
		Imports	1000 m ³	99 C	77 C		75	75
		Exports	1000 m ³	52 C	45 C		45	45
		Apparent consumption	1000 m ³	157	144		140	140
7.NC.T		of which, tropical veneer sheets						
		Production	1000 m ³	3 N	1 N		1	1
		Imports	1000 m ³	8	7		7	7
		Exports	1000 m ³	2	2		2	2
		Apparent consumption	1000 m ³	9	7		6	6
8.1		PLYWOOD						
		Production	1000 m ³	85 C	73 C		70	75
		Imports	1000 m ³	1.319 C	1.089 C		1.050	1.100
		Exports	1000 m ³	330 C	303 C		300	325
		Apparent consumption	1000 m ³	1.073	859		820	850
8.1.NC.T		of which, tropical plywood						
		Production	1000 m ³	0 N	0 N		0	0
		Imports	1000 m ³	156	133		125	135
		Exports	1000 m ³	60	44		40	45
		Apparent consumption	1000 m ³	96	89		85	90
8.2		PARTICLE BOARD (including OSB)						
		Production	1000 m ³	6.690 N	6.218 N		6.050	6.150
		Imports	1000 m ³	2.649	2.277		2.200	2.250
		Exports	1000 m ³	2.450	2.247		2.150	2.200
		Apparent consumption	1000 m ³	6.889	6.248		6.100	6.200
8.2.1		of which, OSB						
		Production	1000 m ³	1.164 N	1.166 N		1.130	1.150
		Imports	1000 m ³	679	570		550	575
		Exports	1000 m ³	526	507		500	525
		Apparent consumption	1000 m ³	1.316	1.229		1.180	1.200
8.3		FIBREBOARD						
		Production	1000 m ³	5.194 C	4.598 C		4.475	4.575
		Imports	1000 m ³	1.590 C	1.276 C		1.225	1.280
		Exports	1000 m ³	2.993 C	2.769 C		2.620	2.697
		Apparent consumption	1000 m ³	3.791	3.105		3.080	3.158
8.3.1		Hardboard						
		Production	1000 m ³	0 N	0 N		0	0
		Imports	1000 m ³	200	155		150	155
		Exports	1000 m ³	23	22		20	22
		Apparent consumption	1000 m ³	176	133		130	133
8.3.2		MDF/HDF (Medium density/high density)						
		Production	1000 m ³	3.792 N	3.387 N		3.300	3.375
		Imports	1000 m ³	424	375		350	375
		Exports	1000 m ³	2.345	2.119		2.000	2.050
		Apparent consumption	1000 m ³	1.870	1.643		1.650	1.700
8.3.3		Other fibreboard						
		Production	1000 m ³	1.402 N	1.211 N		1.175	1.200
		Imports	1000 m ³	966	746		725	750
		Exports	1000 m ³	624	628		600	625
		Apparent consumption	1000 m ³	1.745	1.329		1.300	1.325
9		WOOD PULP						
		Production	1000 mt.	2.172 C	1.930 C	1.930	1.750	1.800
		Imports	1000 mt.	4.173 C	3.988 C	3.648	3.980	4.000
		Exports	1000 mt.	1.253 C	1.329 C	1.364	1.500	1.600
		Apparent consumption	1000 mt.	5.092	4.589	4.214	4.230	4.200
12		PAPER & PAPERBOARD						
		Production	1000 mt.	21.612 C	18.640 C	18.646	20.100	20.500
		Imports	1000 mt.	9.302 C	8.343 C	8.343	9.200	9.000
		Exports	1000 mt.	13.078 C	12.118 C	12.118	13.500	14.000
		Apparent consumption	1000 mt.	17.836	14.865	14.871	15.800	15.500
5.1		WOOD PELLETS						
		Production	1000 mt.	3.569 N	3.709 N		3.800	3.850
		Imports	1000 mt.	477	463	464	400	450
		Exports	1000 mt.	683	775	776	600	600
		Apparent consumption	1000 mt.	3.363	3.398		3.600	3.700