



Commissioner Valdis Dombrovskis

Executive Vice-President An Economy that Works for People
European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels
Belgium

Brussels, 28 June 2021

Dear Commissioner,

Request for a meeting to discuss the implications of the impending Russian ban on the export of logs

We are writing to request a meeting with you to discuss the material scarcity which may well result as both a direct and indirect consequence of the Russian export ban on logs due to commence in January 2022.

Demand for wood in Europe is high and likely to remain so. While Europe imports a relatively small amount of Russian logs (*approximately 170,000 tonnes of softwood logs and almost 3.4 million tonnes of birch logs*), other neighbouring countries namely Belarus, Ukraine and Turkey also have log or wood product export bans (or measures having the same effect) so the cumulative direct impact will be an increase in competition for logs in the EU market resulting in an upward pressure on sawlog and timber prices. The pulp and paper industry, especially in Finland, would be also significantly impacted. About 0.5 million cubic meters of coniferous pulpwood were imported to Finland in 2020. It must be also remembered that a few European forest companies have leased forest areas in Russia, from which timber exports to the EU would also cease as a result of the export ban.

The indirect impact is that the Russian ban will cut off supplies to China, the number one export location for Russian logs. China will then be forced to seek alternative sources of this key raw material.

Our concern is that China may well come to Europe to buy logs further exacerbating the existing competition for logs resulting in prices being driven ever higher. There are already signs of this as European shipments of logs to China have been sharply increasing for a few months. As a consequence all over Europe wood processing companies – often family-owned businesses – are fearful they may be outbid on log prices, threatening the jobs and livelihoods of thousands of

Europeans, many in rural areas. Wood-based materials are essential for the European furniture sector.

At the same time we do not think it is an exaggeration to state that the uncontrolled export of logs from Europe will ultimately result in Europe being short of the sustainable wood it needs for use in the built environment to meet its 2050 Net Zero climate goal.

The lock-down on movement necessitated by the Covid pandemic led to many households across Europe investing in Do-It-Yourself projects and renovations involving wood products. At the same time the use of wood in new build continues to increase. These are all welcome developments as the use of wood in construction and renovation results in more carbon being stored in the built environment and at the same time it substitutes for energy intensive materials, such as steel and cement, whose manufacture is dependent on the burning of fossil fuels.

The lifting, ideally before its implementation, of the Russian log export ban is hence of critical importance to all of Europe. As to how we might achieve this is the reason we would like to meet with you as a matter of some urgency.

Yours sincerely,

Sampsä J. Auvinen - Chair of the European Confederation of Woodworking Industries

Ignazio Capuano, Chairman of the European Association of the Paper Industry and CEO of Burgo Group

Michele Falcone – President of the European Office Furniture Federation

Rob van Hoesel – President of the European Federation of Wood Pallet and Packaging Manufactures

Herbert Jöbstl - President of the European Organisation of the Sawmill Industry, SVP Head of Operations Stora Enso Wood Products (Austria)

Lorenzo Onofri- Chairman of the European Federation of the Parquet Industry and CEO & Sales Manager of Stile Società Cooperativa

Edi Snaidero – Chairman European Furniture Industries Confederation, Chairman of the Management Board at Snaidero Rino SpA and delegated member of kitchen manufacturers within Assarredo (FederlegnoArredo)

Ad Wesselink – President of the European Timber Trade Federation and Managing Director at Wijma Kampen B.V.

Martin Brettenthaler – Chairman of the European Panel Federation and CEO of SWISS KRONO Group