TANGIBLE OPTIMISM FOR MADE-IN-EUROPE PANELS

The European (and Italian) wood-based panels industry continues its positive development. This is clearly visible in the Annual report by **Epf, European Panel Federation**, presented during the general assembly held last July in Venice, Italy.
The manufacturing landscape remains highly differentiated by product type, but the entire industry is sharing a growth trend. According to Epf, which gathers 25 countries representing particleboard, mdf, osb, hardboard, softboard and plywood manufacturers, based on the EU-28 market plus the EFTA area, in 2015 **particleboard** production increased by 1.5 percent from 2014, reaching a 29.1 million cubic meter volume, with further 1.1 percent growth expected in 2016. Germany stands at the top (19 percent), followed by France (13 percent) and Poland (10 percent); Italy is at number four in the production ranking (8 percent). Good results also for **mdf panels**, with production increasing by 2.7 percent up to a total volume of 11.8 million cubic meter: again, Germany leads the group with a 30 percent share, followed by Poland (21 percent) and Italy (8 percent).
German leadership also extends to **osb** (Orientated Stranded Board), with production up by 3.9 percent to 5 million cubic meter and Germany in the lead with a 22 percent share on total production, followed by Romania (20 percent) and Latvia at number three (10 percent).
Hardboard and **softboard** increased by 9 percent (0.6 million cubic meter) and 10 percent (4.4 million cubic meter) respectively. Plywood (EU-28 plus Switzerland) recorded 1 percent growth to 2.8 million cubic meter, with further 3.5 percent expansion estimated in 2016. Here, Finland dominates with a 41 percent share, followed by the Baltic States (12 percent) and Spain (10 percent). Italy again at number four with 9 percent.
On the whole, **European panel production** increased by 3 percent in 2015 compared to the previous year, achieving 53.8 million cubic meter. Results on the Italian market were overall positive as well: plus 5 percent in 2015, continuing the progressive growth started a few months ago.

PANELS FOR THE CIRCULAR ECONOMY

Once again, the biggest worry of the European panel industry is **raw material availability**, which affects the Old Continent to different extents in each country. Epf's 205 report identifies the most critical situations in Italy, France, the United Kingdom, Germany, Greece and Slovakia, as well as Sweden, Estonia and Lithuania; availability in Spain, Ireland, Norway, Finland and Slovenia is enough to cover the requirements of "just in time" production. Belgium, Switzerland, Austria, the Czech Republic, Poland and Bulgaria also have sufficient supplies.

The challenge for European panel manufacturers is the concept of use-reuse-recycling, which can open new opportunities for an ethical and efficient exploitation of raw material wood. The key steps of Epf's strategy have been laid down "black on white" in the "**Venice Charter**" (Venice Declaration on Cascading Use of Wood), jointly signed by Epf and Efic, the European federation of furniture industries, which defines the wood-based panel industry's approach to the diffusion and promotion of the circular economy. The assembly was an opportunity to illustrate the strategic contents to the European MP Mrs. Simona Bonafè, responsible for the Circular Economy dossier. The two-page declaration draws the attention of European institutions and national Governments on the need to promote the "cascading" use of wood, especially for the production of wood-based panels first, and furniture then, as a successful strategy to ensure reliable supplies of raw materials to the panel industry, and most of all, to promote the value of European wood according to a bio-economic vision in line with the challenges of climate change. Most of all, the industry must fight the danger represented by the exploitation of wood biomass for energy production, as an alternative to fossil fuels.

"*The Venice Declaration of the Cascading Use of Wood* – said Epf president **Paolo Fantoni** – *recommends the adoption of regulations to implement the circular economy also in the wood industry. With this document, we submit essential questions to the European Parliament, in order to guarantee the growth and prosperity of an industry that employs over 100 thousand people and generates more than 22 billion euro turnover*".
In detail, the document builds on four key principles implemented in four proposals, which consider the **Circular Economy** as a preferential route to promote green economy in the European panel industry. The first goal is to "Relieve pressure on wood availability" generated by the growing demand for biomass for energy production, including three types of actions: first, identify a volume of offer that can be sustainable in the long term; second, introduce a-principle based on resource efficiency in each competitive industry; third, set a limit for the share of biomass used for energy production. The second topic is the determination to "Enhance the role of wood in circular economy" through measures aimed at: supporting the availability of wood by promoting **recovery from major sources**, especially construction and demolition; increasing the targets of wood-based scrap recovery by introducing targets similar to other waste flows; removing legal barriers to the use of wood in urban areas; and finally, reduce and ultimately ban the disposal of wood in dumping sites. The third topic is to "Create equal conditions by eliminating market distortions", proactively tackling the unfavorable balance generated by the proliferation of biomass power stations. Suggested actions include: eliminating financial incentives to the bio-energy production, which are causing a fragmented use of wood; applying CO2 exchange calculations to the use of biomass according to the Lulucf (Land Use, Land-Use Change and Forestry) legislation; and eliminating multiple accounting in the Iluc (Indirect Land Use Change) directive for biofuels.
The fourth and last topic of the document is "Create a market pool for wood-based products", by implementing the following actions: introduce incentives to use wood-based products in public building tenders; promote the knowledge of carbon dioxide storage or "carbon life" extension when wood is used for furniture and constructions; and finally, stimulate the development of forest harvesting groups for wood-based products, in order to expand the "carbon reservoir" already available in forests.

FIVE-PILLAR STRATEGY

The European Panel Federation general assembly restated the five strategic pillars promoted by the European industry to support the development of an international market for wood-based products with a strong **green and sustainable approach**.
The first pillar is the introduction of E1 Class compliance as the minimum standard for all wood-based panels and products made, distributed and imported in Europe (EU-28).
The definition of a new **unified shared standard** for low-emission panels, to fight the proliferation of different principles and limits on a global scale. The public promotion of the European panel industry's image as a leader in the circular economy and the **environmentally efficient use of resources**. An increased use of wood-based panels in the construction industry, highlighting their contribution to the reduction of climate change thanks to the wood role as "carbon sink".
Finally, supporting the expanding African market by sharing the European experience in production, certification and marketing, specifically for panel products.

by Olivia Rabb

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CHANGES IN THE EPF BOARD

At the latest Annual Meeting in Venice, Epf presented the new managing board. After Martin Brettenthaler and Jean Charles Thebault resigned, the new Epf team is comprised of Paolo Fantoni (president), Bernard Thiers (vice president), Rui Correia, Guillermo Hernanz, Andrew Macdonald, Bernard Retureau, Stefano Saviola, Heiko Seibert, Erlfried Taurer, Max von Tippelskirch, Michael Wolff, Clive Pinnington and Kris Wijnendaele.

Production (million cu.m.)	Countries	2015	2014	2015 vs. 2014
Particleboard	EU-28 + EFTA	29.1	28.7	1.5%
Mdf	EU-28 + EFTA	11.8	11.5	2.7%
Osb	EU-28 + EFTA	5.0	4.8	3.9%
Hardboard	EU-28 + EFTA	0.6	0.6	9.0%
Softboard	EU-28 + EFTA	4.4	4.0	10.0%
Plywood	EU-28 + CH	2.8	2.8	1.0%
Total		**53.8**	**52.4**	**3.0%**

Source: Epf