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Belgium-Luxembourg

Solid Wood Products

Annual

2005

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Report Highlights:

Wood demand for 2005 is expected to be similar to 2004 due to higher investment in the overall construction sector but less spending on furniture and interiors

Includes PSD Changes: No
Includes Trade Matrix: No
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The Wood Industry

The Belgian wood industry covers the furniture, panel, construction, packing and pulp & paper sectors. Each segment will be discussed in the following sections. Turnover figures for the individual segments are not available. The use of US woods is limited in the Belgian furniture, construction and packing sector amounting to €31 million in 2004 (2% of total imports). For the pulp industry, the US is a more important supplier with a market share of 11% in 2004 (€60 million). Imports of paper and paper board depend heavily on imports from both France and Germany; the US supplies a mere €105 million (2.5% of total imports).

Belgian import requirement for wood products and wood packing material are fully harmonized with the rest of the EU. For more information on the import requirements see www.useu.be/agri. Information on APHIS certification can be found on <http://www.aphis.usda.gov/ppq/pim/exports/certificates&forms.htm>

The Wood And Furniture Industry:

The total turnover of the wood and furniture industry in 2004 was €5.6 billion. Its most important sub sector is the furniture industry, with a turnover of €2.9 billion (52%). Second and third in line are the panel and construction sector representing respectively, €1,3 and €0.9 billion turnover. The packing industry is the smallest sub sector in Belgium (€0.3 billion).

The turnover of the wood sector grew steadily until 2003, that year turnover declined by almost 5% due to 1) low consumer confidence in the economy and 2) the negative effect of the weak dollar on Belgium exports. Turnover for 2004 rebounded by 3% and further growth is expected for 2005.

Figure 1: Output in Belgium wood processing and furniture industry, million €

	2001	2002	2003	2004
Furniture	3,316	3,236	2,925	2,935
Panel	1,062	1,113	1,101	1,259
Construction	827	880	920	935
Packing	256	256	272	267
Other Wood	na	252	250	248
Total	5,707	5,738	5,469	5,645

Source: The Belgian Wood Processing Federation Febelhout

Small companies with just a handful employees, characterize the Belgian wood sector. Currently there are almost 2,000 small companies of which half have less than 5 employees. In total over 28,000 people work in the Belgian wood industry, 65% in the furniture sector.

The Belgian wood and furniture industry is an export-oriented industry. In 2003, over 60% of production was exported predominantly into France, the Netherlands, the UK and Germany. In addition to export, the industry imports over 60% of what they need domestically, in particular wood products and furniture.

The Furniture Sector

The importance of the furniture sector is decreasing every year and turnover for 2004 was unchanged from the preceding year. The main factor behind the decreasing market share is the declining turnover in chair production, despite increasing sales in the office and store

furniture. The industry is slowly changing, increasingly importing wood components and semi-manufactured products and adding value by finishing the products.

The Panel Sector

This industry is dominated by the production of chipboards. Like in most other wood sectors, turnover in the panel sector was rather low in 2003, but has gone up by 20% in 2004. A main factor has been the price increase in raw materials and glue. Prices of the inputs are expected to go up further into 2005, while the growth in demand is expected to be lower in 2005 compared to 2004.

The Construction Sector

For the fourth year in a row, turnover in the construction sector in 2004 is higher than the previous year. Demand for wood comes predominantly from the residential and, to a lesser extent, the utility sector. Increasingly people are buying old houses to renovate. Renovating demands, in general, more wood products (doors, windows, rafters) than building new houses does. Also the demand for wooden flooring is growing. Increasingly consumers are choosing wooden floors (parquet or laminate) above carpet.

Other Wood Sector

Demand for wood packing material depends heavily on Belgium's export sector. The industry is traditionally located near or at harbors like Antwerp, Gent and Zeebrugge to pack machines but also other products for sea freight.

Belgium has a number of additional wood processing industries. These vary from the production of frames, to brushes, radio and television cabinets or automotive interiors. However, many of these industries are declining as production moves to lower costs countries.

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The Wood Pulp, Paper and Paper Board Industry

The Belgian paper and paper board industry uses wood pulp to produce paper and board. The industry imports almost two-thirds of its wood pulp needs of which 40% comes from the Netherlands and Sweden. The US is an important supplier of wood pulp as well, shipping 10% of Belgian wood pulp imports.

Demand for paper and paper board is driven by the newspaper, book and magazine sector and also the packing industry. In addition to its own paper and paper board production (of which about 70% is exported) Belgium imports approximately 85% of its domestic use. The main suppliers are Germany and France, supplying 40% of total imports. The US has a market share of 3.6% and there are no indications that will change in the near future.

Figure 2: Belgian imports of wood and wood products, million €.

		2002	2003	2004
HS 44	France	304	316	308
Wood	Germany	225	234	282
	USA	51	41	31
	Other	1,104	1,116	1,192
	Total	1,684	1,707	1,814
HS 47	Sweden	105	112	112
Wood pulp	Netherlands	85	78	101
	USA	46	46	60
	Other	357	256	256
	Total	593	492	529
HS 48	Germany	931	945	996
Paper and Paperboard	France	610	627	627
	USA	118	95	105
	Other	2,304	2,303	2,269
	Total	3,963	3,970	3,997

Source: WTA

NOTE: As Belgium is a big trader of paper and paper board, it is difficult to determine what percentage of US imports is used in Belgium and what percentage is re-exported. The high market share of neighboring countries can also be explained as a consequence of the high volume of regional trade through Belgium (Imported in Rotterdam but destined for the Belgian market).

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The Import Requirements For Wood Products

Belgian import requirement for wood products and wood packing material are fully harmonized with the rest of the EU.

EU measures for Wood Packing Material.

[Council Directive 2000/29/EC](#) lays down phytosanitary measures to prevent the introduction of pests associated with wood packaging material (packing cases, crates, drums, pallets, load boards and pallet collars) into the EU. On October 5, 2004, the European Commission published [Commission Directive 2004/102/EC](#) amending Directive 2000/29/EC. This directive, which entered into force on March 1, 2005, contains a controversial requirement that all wood packaging must be made from debarked wood and could affect an estimated USD 80 billion worth of U.S. agricultural and commercial exports to the EU that are shipped on wooden pallets or in wood packaging materials. <http://www.useu.be/agri/woodpack.html>.

For more information, see:

US Mission to the European Union:

Foreign Agricultural Service

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Information on APHIS certification can be found on:

<http://www.aphis.usda.gov/ppq/pim/exports/certificates&forms.htm>

Marketing

The following trade shows related to wood and wood products are planned in the Benelux:

Cocoon

Furniture and Interior Fair

Brussels, Belgium

19 – 27 November 2005

www.artexis.com

Bouw RAI

RAI, Amsterdam, Netherlands

4 - 7 April 2006

www.bouwrai.nl

Salon Europarket

MECC, Maastricht, Netherlands

23 – 25 April 2006

Hout Dag

Ahoy, Rotterdam, Netherlands

2006 (dates are not yet available)

www.hout.nl

Internationale Bouw Beurs

Jaarbeurs, Utrecht, Netherlands

2007 (dates are not yet available)

<http://sites.vnuexhibitions.com/sites/bouwbeurs/nl/index.asp>

Logistica Beurs

Jaarbeurs, Utrecht, Netherlands

November 2006

www.logistica.nl

Meubelbeurs

Parc des Expositions, Brussels, Belgium

November 2005

Trade show for retail

Bouwbeurs

Parc des Expositions, Brussels, Belgium

February 2006

Trade show for consumers

Parquetbeurs
Kortrijk Expo, Kortrijk, Belgium
Trade show for consumers

Interior Kortrijk
Kortrijk Expo, Kortrijk, Belgium
Design Show
for consumers

In Germany:
Interzum
Furniture production and wood interiors
Kolnmesse, Cologne, Germany
April-May 2007
www.koelnmesse.de