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Lithuania Forestry and Solid Wood Products Situation

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Report Highlights:

The Lithuanian forestry sector rebounded slightly in 2010 after experiencing precipitous declines in production and trade wrought by the global economic crisis in 2008-2009. State Forest Service 2010 estimates show: total forested area at 2.16 million hectares, total volume of growth stock at 479 million CUM, total volume of mature stands at 120 million CUM, and total round wood production at 3.77 million CUM.

General Information:

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1. Forestry

1.1. General information

In 2010, Lithuania's total forested area was estimated at 2.16 million hectares (HA), or 33 percent of the country's territory. In recent years, total growth stock has been expanding. Growth stock is defined as all trees. In 2010, total growth stock volume was estimated at 479.4 million CUM (with about 60 percent coniferous species, and 40 percent broadleaf species). Average growth stock was 234 CUM per HA, almost 12 percent higher than in 2009. The Lithuanian State Forest Service reports 2010 total volume of mature stands at almost 120 million CUM (or 25 percent higher compared to 2009); and average volume of mature stands at 302 CUM per HA. Lithuania's forests remain mostly publicly owned with 66 percent of forests under public administration; and the remaining 34 percent under private management.

Forests are divided into four groups: forests of strict reserves (1.2 percent of the total forest area), special-purpose forests, which include recreational forests and forests for protection of ecosystems (12 percent), protective forests (16 percent) and commercial forests (71 percent). The Ministry of Environment lists the most common tree species as: pine (35 percent), spruce (21 percent), and birch (22 percent). Other common species include: aspen, black alder, and grey alder. Over the last 20 years a noticeable trend has developed with coniferous species decreasing while broadleaf species increasing.

Statistics Lithuania reports 2010 total round-wood production at almost 3.77 million CUM, with area treated after felling at 130,200 hectares.

1.2. Forestation

Lithuania has embarked on a special program to increase the country's woodland by three percent by 2020. Funds are provided under the Rural Development Program 2007-2013. Funds are allocated in support towards achieving this goal under the following parameters: "The first forestation of non-agricultural or abandoned agricultural areas", "Regeneration of the forestry and the implementation of preventive measures", "Non-profit investments in forests."

1.3. Certificates

In Lithuania, the certification of forest management is carried out in forest enterprises. All forest enterprises are obliged to observe the principles and criteria of the certification system for the state forest set by the International Forest Stewardship Council (FSC). Possession of such international certificate proves that forest management is organized following the principles of sustainable forest development. In 2009, forest enterprises continued the annual auditing of forest certification aimed at checking whether forest management was performed following the same principles as at the moment of granting the certificate (Ministry of Environment <http://www.gmu.lt>).

2. Trade (based on Global Trade Atlas)

2.1. Overview

Lithuania exports most of its wood products. In 2010, total value of exported wood and solid wood products exceeded the value of imported goods by 60 percent. Value of export of fuel wood, wood in the rough and sawn wood exceeded the value of import by triple, quadruple and almost twice over,

respectively. Wood –based commodities were mainly exported to: Denmark, Germany, and Sweden and mainly imported from Belarus, Latvia, and Ukraine. However, chipboard and fiberboard were mainly imported; with the value of import, correspondingly, over twice and 65 percent higher than value of export of those commodities. Poland was the major bilateral trade partner for these commodities.

Other significant suppliers include: Latvia and Germany, while notable destinations being: UK, Sweden, and the Netherlands.

In 2010, export value of carpentry products (windows, doors, and prefabricated wooden buildings) exceeded import value by almost 10 times. The value of exported windows exceeds import value by about 20 times. The value of exported doors and prefabricated wooden buildings exceeded their respective import value by almost four times and about 15 times over, respectively. Lithuania's major export partners were Denmark, Norway, and Russia, while major import partners were Poland, Latvia, and Hungary.

In 2010, exports of all types of furniture significantly exceeded imports with total value of exported products at about 15 times higher than value of imports. The value of exported office furniture was five times higher than value of imports, exported kitchen furniture was worth almost six times more than imported. The largest trade value difference was recorded for bedroom furniture and other wooden furniture as the value of exports exceeded value of imports by 14 and 20 times, respectively. Most of Lithuania's exports were directed to the EU countries - Germany, France, Sweden and the Netherlands, and non- EU countries - US and Russia. Lithuania's major import partners were Poland, Italy, and Latvia.

2.2. Wood and solid wood products

2.2.1. Overview

In 2010, value of export of fuel wood, wood in the rough, and sawn wood, with a total value of over US\$ 300 million, exceeded value of import by almost triple. Those commodities were exported mainly to Denmark, Germany, and Sweden. Imports originated mainly from Belarus, Latvia, and Ukraine. In 2010, value of chipboard and fiberboards' imports (US\$ 103 million) almost doubled the value of export of those products. Poland was Lithuania's primary trade partner. Other big suppliers to Lithuania included Latvia and Germany, while significant destination markets were the UK, Sweden, and the Netherlands.

2.2.2. Fuel Wood

In 2010, Lithuania imported 419,000 tons of fuel wood with a total value of US\$ 22 million. Over 60 percent was sourced from the Baltic countries (mainly Latvia at 264,000 tons). Another big fuel wood provider was Belarus, which supplied 30 percent of total imports. The amount of imported fuel wood had declined drastically (over 35 percent) in 2009 compared to 2008, as the economic crisis affected consumer buying power thus the industry, but rebounded slightly in 2010.

In 2010, Lithuania exports of fuel wood totaled 474,000 tons valued at US\$ 72 million. The major receivers of Lithuanian fuel wood were EU countries: Denmark (182,000 tons), Poland (74,000 tons), Italy (68,000 tons), and Germany (56,000 tons).

2.2.3. Wood in the Rough

In 2010, the total amount of imported wood in the rough was 281,000 CUM, worth over US\$ 19 million. Most of it was imported from Ukraine and Belarus. Compared to 2008 and 2009, the quantity of imported wood in the rough rose by about 75 percent in 2010.

In 2010, export of wood in the rough doubled as compared with the previous year amounting to over 1.3 million CUM valued at US\$ 91 million. Major destination markets were Sweden (524,000 CUM), Poland (344,000 CUM), Germany (200,000 CUM), and Latvia (195,000 CUM).

2.2.4. Sawn Wood

In 2010, sawn wood imports exceeded US\$ 75.8 million in value. Most imported sawn wood originated from Belarus (78,000 CUM), Latvia (72,000 CUM), and Russia (69,000 CUM). Compared to 2009, the total volume of sawn wood imported increased in 2010.

In 2010, sawn wood exports attained a value of US\$ 137 million. Major destination markets included: Germany (144,000 CUM), Denmark (63,000 CUM), Belgium (50,000 CUM), Estonia, and the Netherlands (both around 40,000 CUM). In comparison to 2009, export volume increased significantly (40 percent). In 2010, sawn wood trade data shows Lithuania imports valued at US\$ 0.9 million and exports valued at US\$ 0.5 million.

2.2.5. Chipboard

In 2010, the volume of chipboard imported amounted to 233,000 CUM. In comparison to 2009, volume was up slightly but still low if compared to 2008. Most imported chipboard originated from Latvia (104,000 CUM) and Poland (69,000). The value of imported chipboard was US\$ 61 million.

In 2010, export of chipboard totaled 141,000 CUM, valued at US\$ 28 million. The majority of exported chipboard was directed to Poland (65,000 CUM), Sweden, and Azerbaijan (24,000 CUM each). Export data shows a slight increase over the 2009 level but below the 2008 level.

2.2.6. Fiberboard

In 2010, imports of fiberboard increased compared to two previous years. Quantity of imported fiberboard amounted to nearly 20 million square meters; with a value of US\$ 43 million. Most imported fiberboard originated from Poland (over 13.7 million square meters, or 70 percent of the total). Germany also supplied Lithuania with large quantity of fiberboard, nearly four million square meters, (or almost 20 percent of total imports).

In 2010, total exports were valued at US\$ 25.5 million on 21 million square meters. The largest export destinations were: Poland (4.9 million square meters), the Netherlands (3.2 million square meters), and Sweden (over 2.5 million square meters). Quantity of exported fiberboard rose as compared to 2008 and 2009.

2.3. Carpentry Products

2.3.1. Overview

In 2010, export of carpentry products (windows, doors, and prefabricated wooden buildings) was valued at US\$ 145 million which exceeded total import value by nearly 10 fold. Since 2008, import of

carpentry products show a declining trend, recording a sharp drop in 2009, with a slight rebound in 2010. Lithuania's major export partners are Denmark, Norway, and Russia and major import partners are Poland, Latvia, and Hungary.

2.3.2. Windows

In 2010, about 12,000 wooden windows and French windows, valued at US\$1.8 million, were imported. Most imported windows originated from Hungary, Poland and Denmark, worth correspondingly, about US\$ 0.8, 0.6 and 0.3 million. Since 2008 imports have remained on a downward trend.

Contrary to imports, export of windows remains positive. In 2010, Lithuania exported 94,000 windows and French windows; valued at US\$ 38 million. Compared to the previous year, exports increased slightly. Major export destinations are Denmark (about 48,000), Norway (17,000), the UK (10,000), and Russia (9,000).

2.3.3. Doors

In 2010, 246,000 wooden doors, valued at US\$ 7.5 million, were imported. Major suppliers to Lithuania included: Poland (67,000), Ukraine (55,000), Russia (36,000), Latvia, and Belarus (about 27,000 each). Between 2008 and 2009 import volume declined significantly but rebounded slightly in 2010.

Although the quantity of exported doors in 2010 was comparable to the quantity of imports, the value of exported products (US\$ 26 million) was triple that of imports. Export destinations included: Norway (98,000), Denmark (66,000), Russia, and Sweden (53,000 each). Compared to 2009, exports of wooden doors increased slightly in 2010.

2.3.4. Prefabricated Wooden Buildings

Import of prefabricated wooden buildings decreased drastically in 2009, compared to 2008, and marginally more in 2010. In 2010, about 2,000 tons of prefabricated wooden building materials were imported valued at US\$ 5.3 million. Major suppliers included Poland (import worth almost US\$ 2 million), Germany (US\$ 0.9 million), and Latvia (US\$ 0.5 million).

Export of prefabricated wooden buildings was significantly larger than import by volume and value. Compared to 2009, 2010 showed an increase in exports by 17 percent. In 2010, 48,000 tons were exported, valued at US\$ 81 million. Major export destinations included Norway (11,000 tons), Germany (8,000 tons), France, and the UK (6,000 tons each).

2.4. Furniture

2.4.1. Overview

In 2010, total furniture exports reached a value of almost US\$ 486 million; over 15 times the value of total imports of US\$ 30 million. As with other wood products, since 2008 import of furniture has been on a downward trend. Exports, after a significant decline in 2009, show a slight rebound in 2010 but still below the 2008 level. Lithuania's major supply partners in 2010 were Poland, Italy, and Latvia. Lithuania's destination markets included: internal EU countries: Germany, France, Sweden, and the

Netherlands; and external EU countries: United States and Russia.

2.4.2. Office Furniture

In 2010, value of imported prefabricated wooden furniture exceeded US\$ 4 million on 1,000 tons, slightly better on both accounts than recorded in 2009. Major suppliers included: Italy (worth almost US\$ 1.2 million), Spain (US\$ 0.6 million), and Germany (over US\$ 0.55 million).

In 2010, export of office furniture was considerably larger than import. In 2010, 8,000 tons of office furniture were exported; valued at over US\$ 20 million. Major destination markets included: Russia (US\$ 4.2 million), Norway (US\$ 3.7 million), and the UK (US\$ 2.7 million). Export declined by half in 2009, versus 2008, and remained at this lower level in 2010.

2.4.3. Kitchen Furniture

Import of kitchen furniture in Lithuania has been decreasing since 2008. In 2010 Lithuania imported only 1,000 tons of kitchen furniture, worth approximately US\$ 3.2 million. Major suppliers included: Poland (over US\$ 0.8 million), Italy (almost US\$ 0.7 million), and Germany (almost US\$ 0.6 million). Value of kitchen furniture exports was approximately six times greater than that of imports.

In 2010, total exported kitchen furniture was valued at US\$ 19 million. The majority of exported kitchen furniture was traded to: Norway (worth over US\$ 5 million), Russia (almost US\$ 4.2 million), the U.S. (over US\$ 1.8 million), and Denmark (US\$ 1.2 million). Lithuania's kitchen furniture exports have been on the rise since 2008; with 2010 total value at over double that of 2008 and nearly 70 percent higher compared to 2009.

2.4.4. Bedroom Furniture

In Lithuania, import of bedroom furniture has been falling gradually since 2008. In 2010, about 2,000 tons of furniture was imported, valued at almost US\$ 5 million. Major suppliers included: Italy (US\$ 0.97 million), Poland (US\$ 0.91 million), and Latvia (US\$ 0.79 million).

Exports of bedroom furniture are significantly higher than imports; however, foreign demand has weakened since 2008. In 2010, 41,000 tons of bedroom furniture was imported (45 percent less than in 2008 and 27 percent less than in 2008).

In 2010, total value of exported bedroom furniture was US\$ 67 million. Destination markets for bedroom furniture included: the Netherlands (over US\$ 13 million), the UK (over US\$ 8.6 million), the United States (over US\$ 7 million), and Sweden and Switzerland (about US\$ 5.2 each).

2.4.5. Other Wooden Furniture

Import of other wooden furniture has been decreasing since 2008. In 2010, about 7,000 tons of furniture was imported, worth over US\$ 18.7 million. Over 40 percent of imported goods originated from Poland (US\$ 8 million) and around 15 percent from Italy (US\$ 3 million). Other notable suppliers of imported furniture included Germany and Latvia (about US\$ 2 million each).

In 2010, 263,000 tons of other wooden furniture, valued at US\$380 million, was exported. Total value of exports was about 20 times greater than total value of import. The primary destination markets for

Lithuanian furniture included: Germany (over US\$ 59), France (US\$ 39 million), and Sweden (US\$ 33 million).