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Report Highlights:

Poland is among the countries with the largest forest area in Europe. The country is the 10th largest world producer and the 4th largest world exporter of furniture. According to BICO, total trade in forest products between the U.S. and Poland was constantly growing in the last few years and reached U.S. \$ 42.6 million in 2016, mostly from growing imports from Poland. Prospects for the development of the wood market in Poland in the next few years are good. Generally a systematic increase in demand for most wood materials and wood value added products is expected in Poland.

Role of the agricultural and forestry sector in the economy

Poland's forests cover 9.2 million hectares, 30.6 percent of the country's territory. Poland is among the countries with the largest forest area in Europe, after France, Germany and Ukraine.

The Polish wood industry plays a significant role in the development of the economy as a whole. The most important wood-based sectors include: sawmill industry, furniture manufacturing, cellulose-paper industry, and wood-based board manufacturing.

Poland is the 10th largest world producer and the 4th largest world exporter of furniture (after China, Germany and Italy). The country is the biggest EU producer of fiberboards, and the second producer of chipboards in the EU. Average wood industry sales value amounts to PLN 90 billion (U.S. \$ 22.5 billion) per year. The wood industry generates 2 percent of Poland's GDP. Since the beginning of the 1990s Poland's wood industry has attracted foreign capital of over PLN 30 billion (U.S. \$ 7.5 billion). Foreign investors show the strongest interest in production of wood-based panels, pulp and paper production, and furniture in Poland.

The timber industry employs almost 14 percent of all employees in the entire processing industry. State Forests are among the largest employers in Poland. Forest and associated wood industries require a maintenance staff for several thousand private forest service establishments, with duties such as planting of trees and their care, obtaining wood and its export, and most of all, employing persons in the tens of thousands of companies constituting the wood, furniture, and paper industries. 2 million people benefit from working in the forestry and wood sector, directly or indirectly, in Poland.

The wood processing industry market is very dispersed in Poland. According to the Polish Chamber of Timber Industry, 90 percent of wood processing companies (7,300 entities) use not more than 5,000 m³ of wood per year. In total, this group buys 23 percent of the raw material. There are only 32 companies, 0.4 percent of Polish wood processors, which use more than 100,000 m³ of round wood per year. In total, this group buys 28 percent of wood raw material. There are 790 companies with an annual output in the range of 5,001 - 100,000 m³ of round wood. They account for 9.6 percent of the buyers. They purchase 49 percent of the wood raw material.

Timber Supply

In Poland 81 percent of forest land belongs to public institutions and 19 percent to private owners. 77 percent of total forest land is administrated by the State Forests National Forest Holding. The rest of the State forests are national parks (2 percent). Other publicly owned land constitutes 2 percent of total forest area.

69 percent of all trees in Polish forests are coniferous trees, and they dominate stock volume for the wood industry. Coniferous stands are dominated by pine and larch (58.5 % of total forest stands). Other

coniferous species in Polish forests include spruce (6.3 %), and fir (3.1 %). Broadleaved trees occupy 31 percent of total forest land. The predominant deciduous forest species in Poland are: oak (7.5% of total forest stands), birch (7.4%), beech (5.8%), alder (5.5%), hornbeam (1.5%), aspen (0.7%) and poplar (0.1%).

Stands aged from 40 to 80 years dominate Poland’s forests, and the average age of forest stands is 60 years. According to the State Forests, stands aged 41–80 years, representing age classes III and IV, prevail in the forest age structure and cover 26 percent and 19.0 percent of the forest area respectively. Stands aged 41–60 years, class III, prevail in most ownership categories, while in private forests they occupy 35.5 percent of the area. Stands older than 100 years, account for 12.3 percent of the forest area managed by the State Forests. Private forests account for only 2.8 percent. Non-forested land in privately-owned forests accounts for 6.8 percent of their total area, and in the State Forests for 3.2 percent.

Growing Stock

Poland	2014	2015
Area of forest and other wooded land, HA (000)	9,198	9,215
Growing stock, million cubic meters	2,469	2,491
Area covered with forest, %	30.7	30.8

Source: Poland’s Statistical Office

According to the country forest inventory, published by Poland’s Statistical Office, growing stock of woods stands amounts to 2,491 million m³ of barked timber, of which in forests managed by the State Forests accounts for 79% of total timber, and in private forests for 16.4%. Resources, i.e. the average growing stock of standing wood calculated per 1 ha of forest area, amounts to 271 m³, of which in forests managed by the State Forests is 277 m³, and in private forests is 234 m³.

The volume of timber harvested annually from Polish forests grew moderately year by year up to 2015, reaching 40 million m³ of timber that year, the highest level of the past ten years. The structure of removals was dominated by round wood from public forests (94%). In 2015 the total volume of coniferous timber harvested exceeded 29 million m³ and constituted over 76 percent of total timber removals. Round wood for industrial purposes accounted for 87% of total harvested round wood. Pulpwood accounted for almost 51% of wood for industrial purposes. The share of sawn logs (including veneer logs and peeler logs) within the structure of harvested industrial wood amounted to almost 46%.

Removals by assortments, cubic meters of solid volume (000)

Poland	2012	2013	2014	2015
Total removals	37,045	37,946	39,742	40,247
Timber	34,978	35,796	37,661	38,327

• of which coniferous timber	26,042	26,792	28,533	29,078
• non-coniferous			9,128	9,249
Slash	2,067	2,148	2,079	1,920
Stump wood	0.1	1.6	2.2	0.3
Timber per 100 HA of forest land	381.7	390.1	409.5	415.9

Source: Poland's Statistical Office

As of 2015, the threat to tree stands from harmful insects has been increasing for the last few years. According to the Main Statistical Office, control measures were taken against 42 species of insects for 86,000 hectares. In 2015 the area under special anti-insects protection was 220 percent larger than in 2014. The measures focused mostly on deciduous stands. In 2015 the majority of fungal diseases affected a smaller area than in 2014. In contrast, an increase was recorded in the occurrence of pine needle cast (of over 34%) and needle and leaf rust (of 32%). Generally Poland is in the group of European countries with moderate levels of forest damage. The share of trees with defoliation exceeding 25 percent of the tree amounted to 19 percent.

Production of Wood Products

Soft sawn wood production accounts for 90 percent of total sawn wood production in Poland. In 2014 sawn softwood production amounted to 4.2 million m³. According to the Ministry of Environment sawn softwood exports constituted 15 percent of its production, and imports 14 percent.

Sawn hardwood production amounted to 0.5 million m³ in 2014, what accounted for 10 percent of total sawn wood production in Poland. The majority of sawn hardwood was destined for the domestic market and only 18 percent of production was exported. According to Poland's statistics published in the United Nations Economic Commission for Europe (UNECE) report, imports of sawn hardwood by Poland accounted for 50 percent of its domestic production and amounted to 0.25 million m³ (compared to 0.22 million m³ in 2013). Tropical species accounted for 8 percent of imported sawn hardwood (19,000 m³).

Poland is a big producer of wood-based panels in the EU. In 2014 9.2 million m³ of this product was produced in Poland. The production volumes were as follows: 4.8 million m³ of particleboards, 3.9 million m³ of fiber boards, 0.4 million m³ of plywood, and 55,000 m³ of veneers. 27 percent of domestic production of wood-based panels was exported. The structure of exported panels was dominated by fiber boards.

Among high value added wood products furniture is of special importance. According to Poland's Ministry of Environment, the value of furniture production (including furniture elements) amounted to PLN 32.3 billion (U.S. \$ 10.2 billion). Almost 80 percent of the domestic production of wooden furniture is exported. Furniture has also a significant position in Polish exports, with 4.7 percent in its total value. Wood furniture production is dominated mainly by upholstered and non-upholstered furniture for individual flats and houses.

In 2014, the production of builder's carpentry and wood joinery (including wooden houses) increased to PLN 6.5 billion (U.S. \$ 2.1 billion). Among other products, 15.1 million m² of windows and doors were

produced (14% more than in 2013), as well as 2.1 million m² of mosaic floors (an 8% increase in relation to the previous year), and almost 59 million m² of laminated floor panels (an 11% increase). 60 percent of the production of builder's carpentry and joinery products was exported. In 2015 Poland was the biggest exporter of wooden windows and doors in Europe. Export value of these products amounted to U.S. \$ 1.5 billion.

The wooden packaging sector had high development dynamics during the last few years. The value of production amounted to PLN 1.9 billion (U.S. \$ 0.6 billion). Pallets take the biggest share in manufacture of wooden packaging products. Pellet production exceeded 90 million pieces in 2014. Almost 80 percent of the production of wooden packaging was exported.

Another large wood based manufacture sector in Poland is paper and paperboard production. In 2014 paper production amounted to PLN 20 billion (U.S. \$ 6.4 billion) and was 8 percent higher than in 2013, in real terms. The sector is dominated by production of paper, corrugated paperboard, packaging, products for households and toilet and sanitary products. In 2014, approximately 34 percent of manufactured paper and paperboard products were exported.

Prospects for the development of the wood market in Poland in the next few years are good. Generally a systematic increase in demand for most wood materials and wood value added products is expected in Poland.

Trade

In 2014 the value of Poland's exports of wood products, including high value products, amounted to about EUR 15 billion (U.S. \$ 16 billion). The biggest export of wood manufactured products is furniture, with exports amounting to EUR 8 billion (U.S. \$ 8.7 billion) in 2014. More than 80 percent of furniture sales are destined for EU countries (Poland is in 5th place among the largest exporters of furniture in the world - after China, Italy, Germany and the U.S.). The furniture sector generates one of the highest positive trade balances among the manufacturing sectors in Poland, with PLN 28 billion (U.S. \$ 7 billion) in 2014.

Exports of industrial rough wood raw material from Poland peaked in 2013, and the years 2014-16 showed a decrease, according to Poland's Main Statistical Office. Imports diminished in the same period but the pace of imports shrinking was smaller than exports.

According to Eurostat data, Poland's wood and wood products exports amounted to U.S. \$ 3.05 billion. The differences between local Poland's and Eurostat statistics are related to different aggregations of products. In 2016 (Dec-Nov) wood and wood products export from Poland to the world was valued at U.S. \$ 3.22 billion, 5 percent more than for the same time of the previous year. 88 percent of Polish wood products are sold on the EU market. The main export destinations are the biggest EU importers such as Germany, United Kingdom, France and Sweden. Altogether the four countries' share in total Poland's exports of wood products reaches almost 55 percent. Poland sells products also outside of the EU. The main markets in this regard are Russia, Ukraine and the United States. Total exports of wood

and wood products from Poland, to the U.S., according to Eurostat, amounted to U.S. \$ 29 million, directly following Ukraine (U.S. \$ 31 million) and Russia (U.S. \$ 51 million).

Poland is also a significant importer of wood products. In 2015 imports of wood and wood products amounted to U.S. \$ 1.18 billion. 70 percent of this group of products is imported from other EU countries. The main EU suppliers were Germany and Austria (32 percent of Poland's wood products imports) and outside of the EU were: Ukraine, Belarus and Russia (23 percent). The Polish wood industry sources mostly round wood and raw material for further processing from these markets as the domestic supply of round wood remain below local industry demand. United States ranked as the twenty fourth supplier of wood and wood products to Poland with sales valued U.S. \$ 4.8 million in 2014 and U.S. \$ 5.2 million in 2015.

Poland's imports of selected wood & wood products from world, January-December, U.S. \$ (000)

Commodity Code	Commodity	2013	2014	2015	% Share in 2015	% Change 2015/14
Wood&Wood Products		1,155,470	1,405,194	1,182,258	100	-15.87
4410	Particle Board & Similar Board Of Wood Etc.	286,638	370,286	306,405	25.92	-17.25
4407	Wood Sawn Or Chipped Length, Sliced Etc, Ov6Mm Th	284,297	332,739	291,122	24.62	-12.51
4411	Fiberboard Of Wood Or Other Ligneous Materials	149,432	199,352	161,827	13.69	-18.82
4412	Plywood, Veneered Panels & Similar Laminated Wood	132,179	175,099	138,511	11.72	-20.9
4418	Builders' Joinery And Carpentry Of Wood	99,486	114,799	102,521	8.67	-10.7
4415	Packings Etc, Wood; Pallets, Collars Etc, Of Wood	64,448	68,337	61,495	5.2	-10.01
4408	Veneer Sheets Etc, Not Over 6 Mm Thick	62,496	64,901	52,609	4.45	-18.94
4409	Wood, Continuously Shaped (Tongued, Grooved Etc.)	50,900	50,438	38,387	3.25	-23.89
4420	Wood Marquetry Etc; Jewel Case Etc & Wd Furn Nesoi	8,425	10,323	11,950	1.01	15.76
4419	Tableware And Kitchenware, Of Wood	10,187	11,304	10,741	0.91	-4.98
4413	Densified Wd Blocks/Plates/Strips/Profile Shapes	6,982	7,615	6,689	0.57	-12.16

Source:Eurostat

Poland's exports of selected wood & wood Products from World, January-December, U.S. \$ (000)

Commodity Code	Commodity	2013	2014	2015	% Share in 2015	% Change 2015/14
Wood&Wood Products		3,048,905	3,390,183	3,048,908	100	-10.07
4418	Builders' Joinery And Carpentry Of Wood	1,094,905	1,203,001	1,113,578	36.52	-7.43
4411	Fiberboard Of Wood Or Other Ligneous Materials	550,525	617,426	558,480	18.32	-9.55
4415	Packings Etc, Wood; Pallets, Collars Etc, Of Wood	454,109	550,912	490,131	16.08	-11.03
4409	Wood, Continuously Shaped (Tongued, Grooved Etc.)	264,271	268,854	243,260	7.98	-9.52
4407	Wood Sawn Or Chipped Length, Sliced Etc, Ov6Mm Th	231,965	262,561	224,810	7.37	-14.38
4412	Plywood, Veneered Panels & Similar Laminated Wood	157,745	182,032	166,718	5.47	-8.41
4410	Particle Board & Similar Board Of Wood Etc.	208,329	204,516	159,095	5.22	-22.21
4408	Veneer Sheets Etc, Not Over 6 Mm Thick	34,059	35,099	28,462	0.93	-18.91
4420	Wood Marquetry Etc; Jewel Case Etc & Wd Furn Nesoi	23,115	25,247	25,551	0.84	1.2
4419	Tableware And Kitchenware, Of Wood	16,312	21,459	21,056	0.69	-1.88
4413	Densified Wd Blocks/Plates/Strips/Profile Shapes	13,571	19,075	17,768	0.58	-6.85

Source:Eurostat

Poland's Export Statistics on wood & wood products from Partner Countries, January-December

Partner Country	U.S. \$ (000)			% Share			% Change 2015/2014
	2013	2014	2015	2013	2014	2015	

World	3,048,905	3,390,183	3,048,908	100.00	100.00	100.00	- 10.07
EU28	2,538,265	2,885,999	2,668,201	83.25	85.13	87.51	- 7.55
Germany	822,872	1,052,539	950,653	26.99	31.05	31.18	- 9.68
United Kingdom	256,286	333,376	334,031	8.41	9.83	10.96	0.20
France	250,145	260,531	213,004	8.20	7.68	6.99	- 18.24
Sweden	161,569	173,527	163,775	5.30	5.12	5.37	- 5.62
Italy	114,299	146,280	141,119	3.75	4.31	4.63	- 3.53
Czech Republic	107,395	115,576	116,943	3.52	3.41	3.84	1.18
Lithuania	118,566	118,642	101,528	3.89	3.50	3.33	- 14.43
Denmark	200,283	132,511	100,935	6.57	3.91	3.31	- 23.83
Slovakia	107,374	113,663	96,020	3.52	3.35	3.15	- 15.52
Netherlands	87,726	100,336	92,819	2.88	2.96	3.04	- 7.49
Belgium	61,147	66,403	83,956	2.01	1.96	2.75	26.43
Norway	92,168	97,315	83,068	3.02	2.87	2.72	- 14.64
Romania	47,698	60,499	65,470	1.56	1.78	2.15	8.22
Switzerland	57,908	56,843	53,735	1.90	1.68	1.76	- 5.47
Austria	49,188	53,500	51,850	1.61	1.58	1.70	- 3.08
Russia	88,646	92,305	51,796	2.91	2.72	1.70	- 43.89
Hungary	34,685	34,287	36,329	1.14	1.01	1.19	5.96
Ukraine	99,451	70,766	31,234	3.26	2.09	1.02	- 55.86
<i>United States</i>	<i>20,512</i>	<i>31,997</i>	<i>29,045</i>	<i>0.67</i>	<i>0.94</i>	<i>0.95</i>	<i>- 9.23</i>

Source: Eurostat

Poland's Import Statistics on wood & wood products from Partner Countries, January-December

Partner Country	U.S. \$ (000)			% Share			% Change
	2013	2014	2015	2013	2014	2015	2015/2014

World	1,155,470	1,405,194	1,182,258	100.00	100.00	100.00	- 15.87
EU28	930,809	1,074,269	826,963	80.56	76.45	69.95	- 23.02
Germany	317,855	362,847	266,015	27.51	25.82	22.50	- 26.69
Ukraine	69,605	128,541	148,284	6.02	9.15	12.54	15.36
Austria	72,188	86,947	71,759	6.25	6.19	6.07	- 17.47
Belarus	18,317	45,039	60,896	1.59	3.21	5.15	35.21
Russia	50,700	59,852	55,100	4.39	4.26	4.66	- 7.94
Czech Republic	68,436	81,256	53,321	5.92	5.78	4.51	- 34.38
Romania	67,102	71,075	52,704	5.81	5.06	4.46	- 25.85
Slovakia	54,239	59,347	50,762	4.69	4.22	4.29	- 14.47
Latvia	38,467	49,134	47,471	3.33	3.50	4.02	- 3.38
Sweden	61,172	64,059	46,376	5.29	4.56	3.92	- 27.60
China	34,323	46,652	45,088	2.97	3.32	3.81	- 3.35
Denmark	37,521	46,924	43,445	3.25	3.34	3.67	- 7.41
Finland	37,788	61,716	40,286	3.27	4.39	3.41	- 34.72
Estonia	24,145	32,038	26,870	2.09	2.28	2.27	- 16.13
Netherlands	23,188	23,519	20,638	2.01	1.67	1.75	- 12.25
Lithuania	28,811	25,609	20,134	2.49	1.82	1.70	- 21.38
Belgium	17,881	21,624	17,815	1.55	1.54	1.51	- 17.61
Hungary	18,052	20,417	17,636	1.56	1.45	1.49	- 13.62
France	18,673	17,333	15,845	1.62	1.23	1.34	- 8.58
Italy	20,297	20,694	13,582	1.76	1.47	1.15	- 34.37
Indonesia	9,209	8,771	9,096	0.80	0.62	0.77	3.70
Spain	9,114	9,397	8,759	0.79	0.67	0.74	- 6.80
Portugal				0.90	0.87	0.46	- 55.82

	10,413	12,226	5,401				
<i>United States</i>	5,546	4,839	5,233	0.48	0.34	0.44	8.14

Source: Eurostat

Poland's Imports of logs & chips per countries of origin, January-December

Partner Country	U.S. \$ (000)			% Share			% Change 2015/2014
	2013	2014	2015	2013	2014	2015	
World	190,321	235,315	172,764	100.00	100.00	100.00	- 26.58
Belarus	88,236	118,777	74,413	46.36	50.48	43.07	- 37.35
Lithuania	28,530	35,008	29,173	14.99	14.88	16.89	- 16.67
Slovakia	22,261	25,458	21,579	11.70	10.82	12.49	- 15.24
Ukraine	12,751	19,654	14,002	6.70	8.35	8.10	- 28.76
Germany	20,402	19,280	13,476	10.72	8.19	7.80	- 30.10
Russia	48	5,689	5,975	0.03	2.42	3.46	5.02
Czech Republic	5,651	4,983	5,231	2.97	2.12	3.03	4.96
Sweden	6,120	2,463	4,911	3.22	1.05	2.84	99.34
Finland	426	1,137	1,803	0.22	0.48	1.04	58.53
Netherlands	722	997	723	0.38	0.42	0.42	- 27.45
Latvia	1,470	322	357	0.77	0.14	0.21	11.04
Romania	2	0	257	0.00	0.00	0.15	0.00
France	225	203	161	0.12	0.09	0.09	- 20.79
Denmark	1,093	20	151	0.57	0.01	0.09	662.16
Switzerland	10	121	130	0.01	0.05	0.08	6.92
Moldova	59	116	123	0.03	0.05	0.07	6.07
China	90	55	64	0.05	0.02	0.04	16.16
Austria	1,436	508	63	0.75	0.22	0.04	- 87.52
<i>United States</i>	42	6	32	0.02	0.00	0.02	475.61

Source: Eurostat

Poland's imports of panel products (incl. plywood) per countries of origin, January-December

Partner Country	U.S. \$ (000)			% Share			% Change 2015/2014
	2013	2014	2015	2013	2014	2015	
World	630,745	809,638	659,352	100.00	100.00	100.00	- 18.56
Germany	187,198	230,254	165,216	29.68	28.44	25.06	- 28.25
Ukraine	25,103	73,303	77,022	3.98	9.05	11.68	5.07
Austria	46,832	56,706	51,240	7.42	7.00	7.77	- 9.64
Belarus	13,658	38,570	48,618	2.17	4.76	7.37	26.05
Romania	56,203	58,048	44,573	8.91	7.17	6.76	- 23.21
Russia	29,632	43,082	42,340	4.70	5.32	6.42	- 1.72
Czech Republic	52,232	57,415	34,442	8.28	7.09	5.22	- 40.01

Slovakia	36,322	34,208	28,947	5.76	4.23	4.39	- 15.38
China	19,191	28,527	27,920	3.04	3.52	4.23	- 2.13
Latvia	18,967	24,726	24,350	3.01	3.05	3.69	- 1.52

Source:Eurostat

Poland's imports of softwood and treated lumber per countries of origin, January-December

Partner Country	U.S. \$ (000)			% Share			% Change 2015/2014
	2013	2014	2015	2013	2014	2015	
World	171,319	213,649	177,756	100.00	100.00	100.00	- 16.80
Sweden	44,589	46,804	33,329	26.03	21.91	18.75	- 28.79
Finland	17,303	30,549	25,322	10.10	14.30	14.25	- 17.11
Germany	32,327	37,758	25,124	18.87	17.67	14.13	- 33.46
Latvia	17,720	20,763	19,968	10.34	9.72	11.23	- 3.83
Denmark	8,535	16,921	17,755	4.98	7.92	9.99	4.93
Ukraine	4,246	7,638	13,424	2.48	3.57	7.55	75.76
Belarus	3,845	5,252	9,851	2.24	2.46	5.54	87.57
Russia	16,863	12,935	8,017	9.84	6.05	4.51	- 38.02
Estonia	6,453	7,483	7,607	3.77	3.50	4.28	1.66

Source:Eurostat

Poland's imports of hardwood per countries of origin, January-December

Partner Country	U.S. \$ (000)			% Share			% Change 2015/2014
	2013	2014	2015	2013	2014	2015	
World	152,233	174,970	146,068	100.00	100.00	100.00	- 16.52
Ukraine	25,256	32,012	32,244	16.59	18.30	22.07	0.72
Germany	34,742	32,029	27,334	22.82	18.31	18.71	- 14.66
Belarus	33,524	39,713	22,969	22.02	22.70	15.72	- 42.16
Slovakia	16,482	17,643	16,035	10.83	10.08	10.98	- 9.11
Lithuania	14,133	17,896	14,743	9.28	10.23	10.09	- 17.62
Russia	1,091	7,528	9,002	0.72	4.30	6.16	19.59
<i>United States</i>	<i>2,200</i>	<i>2,907</i>	<i>4,478</i>	<i>1.45</i>	<i>1.66</i>	<i>3.07</i>	<i>54.01</i>

Source: Eurostat

USDA BICO statistics show different values for bilateral trade between the U.S. and Poland than Eurostat. The difference occurs due to a different aggregation of products and transshipments included into the BICO statistics. According to BICO, U.S. imports of forest products from Poland in 2016 were valued at U.S. \$ 38.7 million and exports to Poland amounted to U.S. \$ 3.9 million. Total trade in forest products between the U.S. and Poland was constantly growing in the last few years and reached U.S. \$ 42.6 million in 2016, mostly from growing imports from Poland. In 2016 U.S. exports to Poland fell by 7 percent in comparison with the previous year due to changes in currency exchange rates and on price competitiveness. Poland's market, like the other markets in the region, is highly sensitive to prices and currency volatility between the EURO versus the U.S. dollar. Polish industry has been traditionally oriented mostly to European suppliers also due to lower logistical costs.

**U.S. imports of forest products from Poland, Calendar Years January-December.
(U.S. \$ million)**

	2013	2014	2015	2016	% change 2015-16
Total Agricultural Fish&Forest Products	349.7	420.1	450.7	470.5	4.4
Forest Products	16.6	27.6	31.7	38.7	22.2
of which:					
Logs & Chips	0.0	0.0	0.1	0.1	34.4
Hardwood Lumber	0.2	0.5	0.6	0.2	-70.0
Softwood&Treated Lumber	0.0	0.1	0.1	0.5	253.6
Panel Products	8.3	14.1	14.9	18.7	25.6
Other Value Added Wood Products	8.1	12.9	16.0	19.2	20.3

Source: BICO

**U.S. exports of forest products to Poland, Calendar Years January-December.
(U.S. \$ million)**

	2013	2014	2015	2016	% change 2015-16
Total Agricultural Fish&Forest Products	389.8	251.5	259.8	220.7	-15.0
Forest Products	5.3	4.2	4.2	3.9	-7.2

Source: BICO

Wood sawn or chipped dominates the value of products sourced from the United States to Poland, taking an 87 percent share in the total wood and wood products value sourced from the U.S. in 2016. The high cost of solid wood results in 80 percent of the furniture in Poland being produced from wood-based panels, mainly particleboard. In the last few years, veneer sheets sales dominated imports from the U.S. In 2016 veneer sheets lost the first rank in Polish imports to sawn or chipped wood. The structure of imports from the U.S. is not stable in recent years as the market has been under strong competitive pressure, and very sensitive to world prices changes. Poland sources from the U.S. mostly ash, oak and non-coniferous wood. It is expected that demand for hardwood will be continue to grow in Poland in the coming years due to the fast development of the furniture industry. There is potential for hardwood U.S. exports as a niche raw material for Polish wood processors. The growing tendency towards further processed sawn wood and wood products in Poland creates a strong forecast for niche types of hardwood exports from the United States. Further development of furniture and housing sectors will create growing demand from higher incomes social groups of consumers in Poland. Insufficient local supply in some sorts of hardwood raw materials is expected to increase demand for out of EU suppliers. Especially oak wood demand is forecasted to grow proportionally to the development of higher value furniture and wood joinery for home production and exports.

Poland's imports of selected wood & wood products from United States, January-December, U.S. \$ (000)

Commodity Code	Commodity	2013	2014	2015	% Share in 2015	% Change 2015/14
Wood&Wood Products		5,546	4,839	5,233	100	8.14
4407	Wood Sawn Or Chipped Length, Sliced Etc, Ov6Mm Th	2,272	3,037	4,530	86.57	49.14
4415	Packings Etc, Wood; Pallets, Collars Etc, Of Wood	80	1,199	366	7	-69.44
4408	Veneer Sheets Etc, Not Over 6 Mm Thick	2,715	392	110	2.1	-72.01
4413	Densified Wd Blocks/Plates/Strips/Profile Shapes	19	28	63	1.2	126.56
4410	Particle Board & Similar Board Of Wood Etc.	63	69	38	0.73	-44.99
4409	Wood, Continuously Shaped (Tongued, Grooved Etc.)	308	13	33	0.63	146.41
4420	Wood Marquetry Etc; Jewel Case Etc & Wd Furn Nesoi	42	20	32	0.61	62.98
4412	Plywood, Veneered Panels & Similar Laminated Wood	7	21	24	0.46	13.74
4418	Builders' Joinery And Carpentry Of Wood	38	35	20	0.38	-43.42
4419	Tableware And Kitchenware, Of Wood	1	14	16	0.3	14.33
4411	Fiberboard Of Wood Or Other Ligneous Materials	-	11	2	0.03	-85.17

Source:Eurostat

Poland's exports to the U.S. is mostly builders' joinery and carpentry, valued at U.S. \$ 29 million in 2016, with a 32 percent share of the total export value of Poland's wood products to the U.S. Export of these products has the fastest growth rate of all other types of wood products. In 2015 the value of sales of builders' joinery exceeded the result of the previous year by 45 percent. Fiberboard of wood and other ligneous materials take the second growing position in Polish wood products destined for the U.S. market.

Poland's exports of selected wood & wood products to United States, January-December, U.S. \$ (000)

Commodity Code	Commodity	2013	2014	2015	% Share in 2015	% Change 2015/14
Wood&Wood Products		20,512	31,997	29,045	100	-9.23

4418	Builders' Joinery And Carpentry Of Wood	4,593	6,398	9,250	31.85	44.58
4411	Fiberboard Of Wood Or Other Ligneous Materials	6,536	6,922	7,903	27.21	14.17
4412	Plywood, Veneered Panels & Similar Laminated Wood	3,939	9,760	5,890	20.28	-39.65
4415	Packings Etc, Wood; Pallets, Collars Etc, Of Wood	1,499	2,793	1,892	6.52	-32.23
4407	Wood Sawn Or Chipped Length, Sliced Etc, Ov6Mm Th	1,316	1,864	1,361	4.69	-26.98
4410	Particle Board & Similar Board Of Wood Etc.	1,390	1,612	1,201	4.14	-25.47
4420	Wood Marquetry Etc; Jewel Case Etc & Wd Furn Nesoi	903	1,674	1,144	3.94	-31.66
4409	Wood, Continuously Shaped (Tongued, Grooved Etc.)	129	810	266	0.91	-67.2
4419	Tableware And Kitchenware, Of Wood	163	152	130	0.45	-14.94
4408	Veneer Sheets Etc, Not Over 6 Mm Thick	-	12	7	0.02	-42.89
4413	Densified Wd Blocks/Plates/Strips/Profile Shapes	43	-	1	0	n/a

Source:Eurostat

Trends in wood industry – demand from construction industry and wood energy sector.

Solid biomass is the most important renewable energy carrier in Poland and wood biomass accounts for approximately 85 percent of it. According to the Polish Ministry of Environment, micro-installations producing energy from renewable sources in backyard house power plants, often using solar energy, contribute to the increased share of renewable energy production within Poland's gross final energy consumption. This facilitates diversification of energy sources and decreases the pressure to use wood biomass as an energy carrier (also popular in households). Poland's energy policy assumes gradual resignation from the technology of co-burning biomass and coal, until its complete elimination in 2020. In the last few years there is a growing tendency in construction and assembly production. High dynamics of growth was especially characteristic for the construction of civil engineering projects, and to a lesser extent, specialist construction works. According to Polish statistics in 2014, the decrease in the number of dwellings completed amounted to 1 percent compared to the previous year (from 145,100 in 2013 to 143,200 in 2014). This decrease was mainly for individual home construction (more than a 6 percent decrease) and housing association apartments (a 0.1 percent decrease).

Policy

Poland's forests management policy has been outlined in the following basic Acts:

The Forest Act (1991);

The Act on Protection of Forests and Agricultural Soils (1995);

The Forest Reproductive Material Act (2001);

The Nature Conservation Act (2004) The Environmental Protection Act (2001).

The Act on sharing information about the environment and its protection, public participation in environmental protection and environmental impact assessment (2008)

General forestry policy objectives in Poland are specified in the document “The National Forest Policy”, which was prepared by the Ministry of Environment and approved by the Council of Ministers in 1997. Other national forest policies and programs are included in the following documents: Safety and Environment Strategy, National Biodiversity Strategy, National program for the Augmentation of Forest Cover, National Forest Program.

Polish State Forests are beneficiaries of European Union Funds, which are allocated to Poland within the Financial Framework 2014-2020. EU funds prove to be an important instrument of the State’s economic policy, having significant impact on forestry and wood sector development. Financial programs within the Financial Framework 2014-2020 are continuation of programs previously implemented from the EU budget for the period 2007-2013. In 2007-2013 most of the finance was allocated to infrastructural development. In the 2014-2020 Financial Framework more funds are allocated to entrepreneurship development, and science and research. This is the result of a strong orientation towards support for innovation development.

According to the Ministry of Environment, one of the most important strategic documents for the forestry and wood sector in Poland is the document, Priorities of Industrial Policy 2015-2020+, which is addressed to entrepreneurs and public administration. This document defines the goal and priorities of the state’s industrial policy, which require taking actions to significantly improve the competitive position of the Polish industry.

Poland is obliged to follow EU regulations regarding forest policy as a member State of the European Union. The core elements of EU forest policy are Biodiversity Strategy, Species Protection and network Natura 2000. It stretches across all 28 EU countries, both on land and at sea. The aim of the network is to ensure the long-term survival of Europe's most valuable and threatened species and habitats, listed under both the Birds Directive and the Habitats Directive.

For several months the European Commission has been conducting an investigation regarding the possibility of Poland’s violating the Natura 2000 law in the Białowieża Forest. The doubts of the European Commission in Brussels concern the number of trees cut in the Białowieża Forest District following a decision of Poland’s Ministry of the Environment to permit tree removals.

Białowieża Forest, a UNESCO World Heritage Site that spans 1600 square kilometers at the Polish-Belarusian border, is one of the most biodiverse spots on the continent 32% of the forest is protected by government regulations, including the Natura 2000 law, but only 17% is part of the national park. The

previous Polish government regulations allowed for a 10 year timber harvest of 48,500 m³ in the forest. The economic activity in Bialowieza forest was very limited, but the new government's update to the cuttings increased this number significantly. The new government's decision was said to be justified by control efforts to manage a bark beetle outbreak.

Certification Schemes for forest products

There are two systems of certification of forest management and forest industry which are recognized in Poland. These are: FSC (Forest Stewardship Council), approved in 1996, and PEFC (Program for the Endorsement of Forest Certification Scheme), approved in 2010.

In 2015 FSC certificates were held by 16 out of 17 State Forests Regional Directorates and 2 Forest Experimental Stations. According to the Ministry of Environment, FSC certification covers 6.9 million hectares of forests, or 75 percent of total forested area. In 2015 almost 3,000 FSC-CoC certificates were registered in Poland. Approximately 17 percent of certified companies (313) are certified also in other systems, such as FSC-CW (FSC Controlled Wood). Additionally, 136 companies, or 7 percent, held FSC-RA (FSC Controlled Wood Risk Assessment) certificates, confirming implementation of a risk assessment system for wood supplies. Approximately 70 percent certificates were issued for production companies. These were mainly certificates for the producers of sawn wood, wooden garden products, builder's carpentry and joinery, furniture and its elements, wooden accessories, wood-based panels, wood pulp, and paper and secondary paper products.

In 2015 in Poland all State Forests Regional Directorates held PEFC certificates. The area of forests covered by the certification within PEFC system was 7.3 million hectares, 79 percent of the country's forest area. 194 certificates of supply chain control, PEFC-Co C, were registered in Poland. Approximately 64 percent of them was held by production companies, which manufacture wood products at various processing stages, including mainly the producers of sawn wood, pallets, flooring materials, furniture and its elements, wood-based panels, wood pulp, and paper and paperboard.

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End of Report.