ABALON HARDWOOD

The Beech perspective

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challenges and opportunities

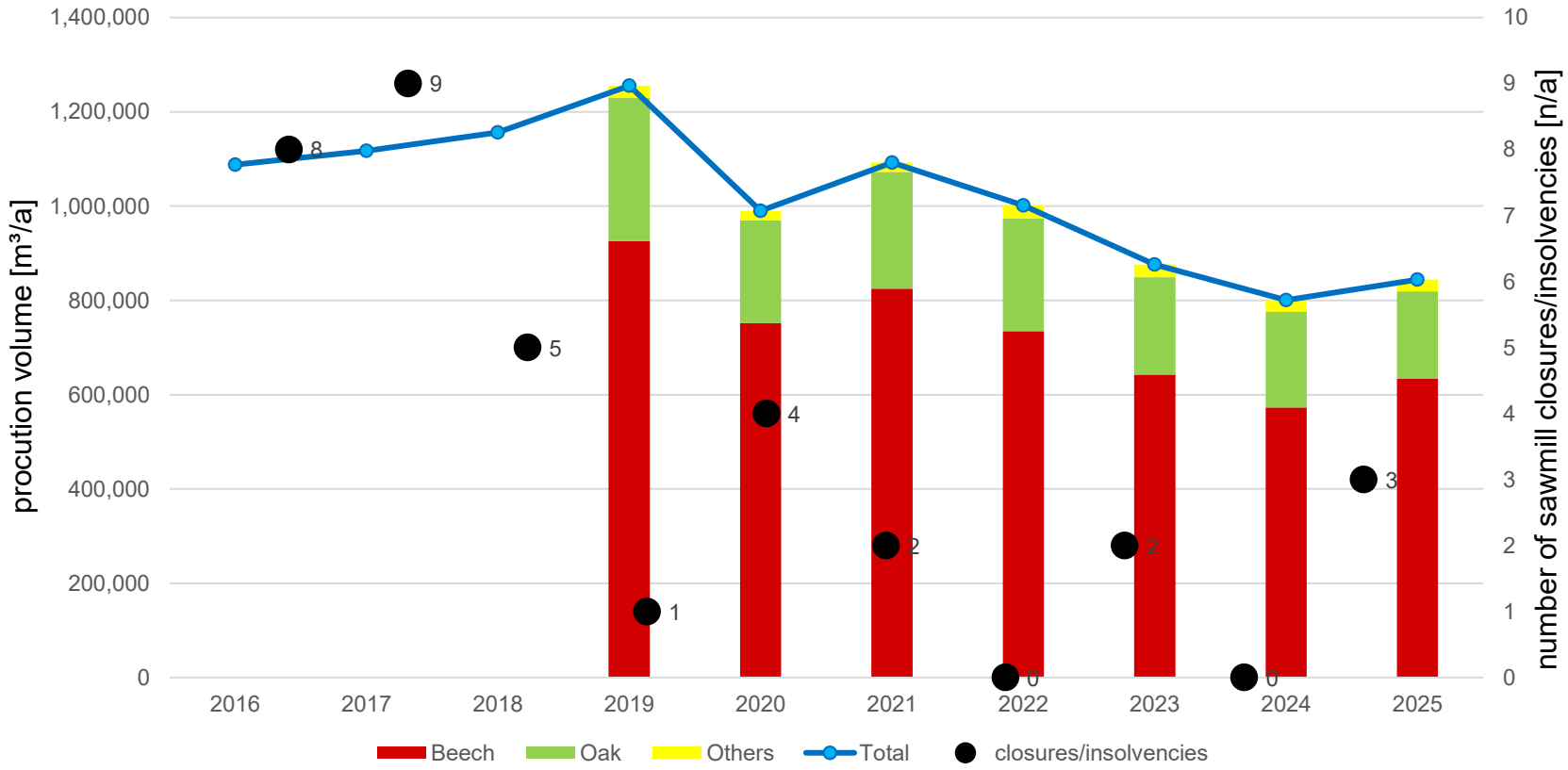
Passion for Hardwood!

Structure

- Status quo
- Challenges + Opportunities
- Conclusions

Looking at the decreasing production volume and the number of sawmill closures …

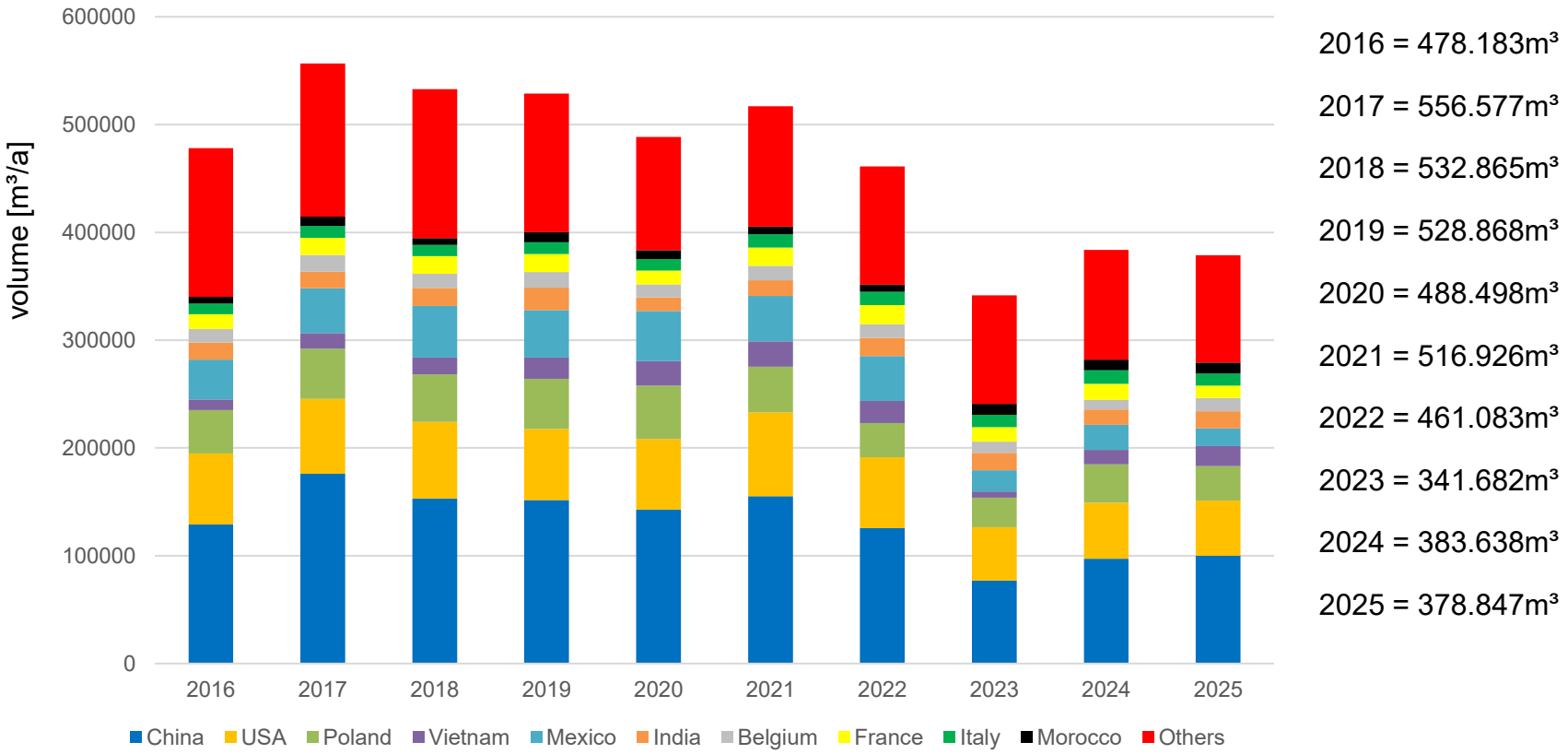
Status quo (1): development of hardwood production volume in Germany and number of sawmill closures



(datasource: destatis.de and sägeindustrie.de)

… reflected in the decreasing export volumes, already makes it obvious, that our industry has plenty of challenges!

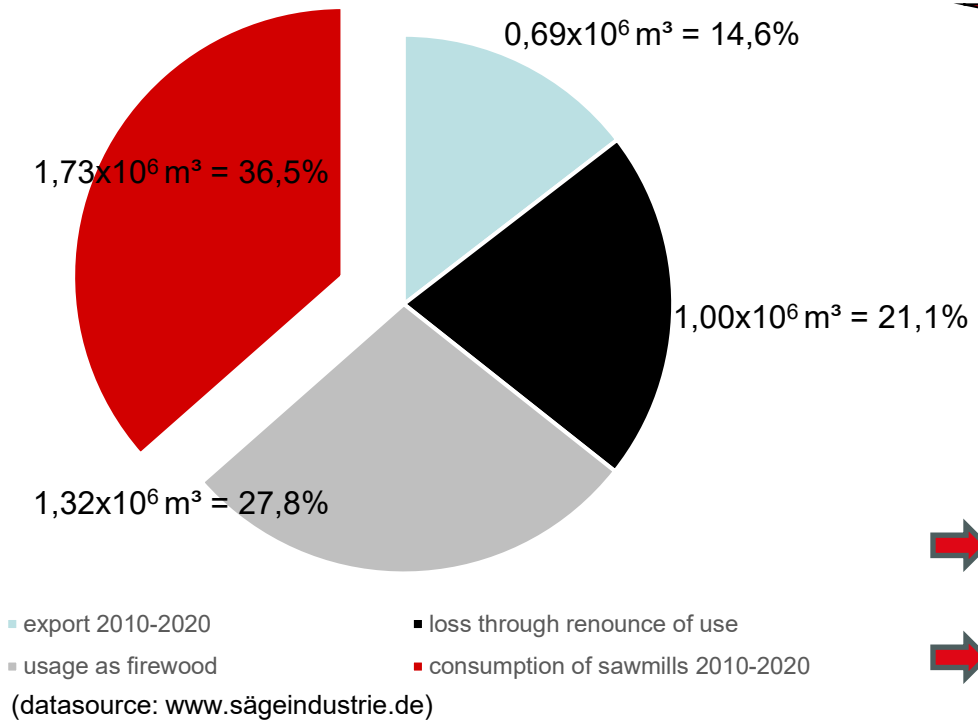
Status quo (2): development of German Beech lumber exports per market



(datasource: destatis.de)

Only roughly a third of the hardwood sawlogs in Germany are used by domestic sawmills!

Challenges and opportunities (1): usage of hardwood sawlogs in Germany



(datasource: www.sägeindustrie.de)

Yes:
log export is an issue.

But so are:

➡ **usage of sawlogs as firewood**

➡ **and even worse:**
NO USE AT ALL!

Does SO_2F_2 really have different green house and health effects in different EU countries?

Challenges and opportunities (2): fumigation regulations in different countries

country	situation
D	Authorisation withdrawn since IV/26; Remaining stocks: sales allowed through X/26, to be used by X/27
BE	Usage allowed
NL	Since I/25 no phytosanitary certificate, if fumigated with ProFume
PL	Usage allowed; doubts on correct application
F	Officially not allowed; situation a bit unclear

Europe needs to speak with one voice!

The demand for industrial Beech logs from the bio-economy will continue to grow!

Challenges + opportunities (3): increased competition over „our“ resource


(source: www.lwf.bayern.de)


(source: www.mdr.de)

Availability and chemical composition make Beech an almost ideal resource for products in the bio-economy!

The specie propagated in sylviculture for decades, is now suffering, too!

Challenges and opportunities (4): new threats through climate change



If 1% less logging = -10,3 bill. € economic output = -162.000 jobs, why don‘t we propagate the opposite?

Challenges and opportunities (5): new regulations

regulation	opportunity	threat
LULUCF	Political support for carbon storage in (long-lived) hardwood products	Focus on storage in standing timber might threaten log supply
NRL	Increase in mixed hardwood stands can make the raw material base more resilient in the long term	Increase of dead standing timber + use restrictions could reduce the usable hardwood supply
CRCF	Additional demand through certified CO_2 storage	Building methodology still under development; verfication and audit cost may reduce benefits
RED IV	More hardwood for sawmilling through strengthening of cascade use	Unclear future rules for biomass complicate investments in wood waste energy and drying

We need to strike the iron(s), while they are hot!

Theoretically Beech appears to be attractive for plenty of new uses…

Challenges and opportunities (6): new markets (1)


(source: www.thermoholz-deutschland.de)


(source: www.waldwissen.net)


(source: www.draisma.nl)

Despite intensive efforts, so far neither thermo-treatment, nor acetylation have created substantial new markets for Beech lumber.

And also the usage for construction purposes so far struggles…

With SynLamTimber an innovative approach looks promising to probably overcome them!

Challenges and opportunities (6): new markets (2)



(source: HOLZ FORSCHUNG AUSTRIA)

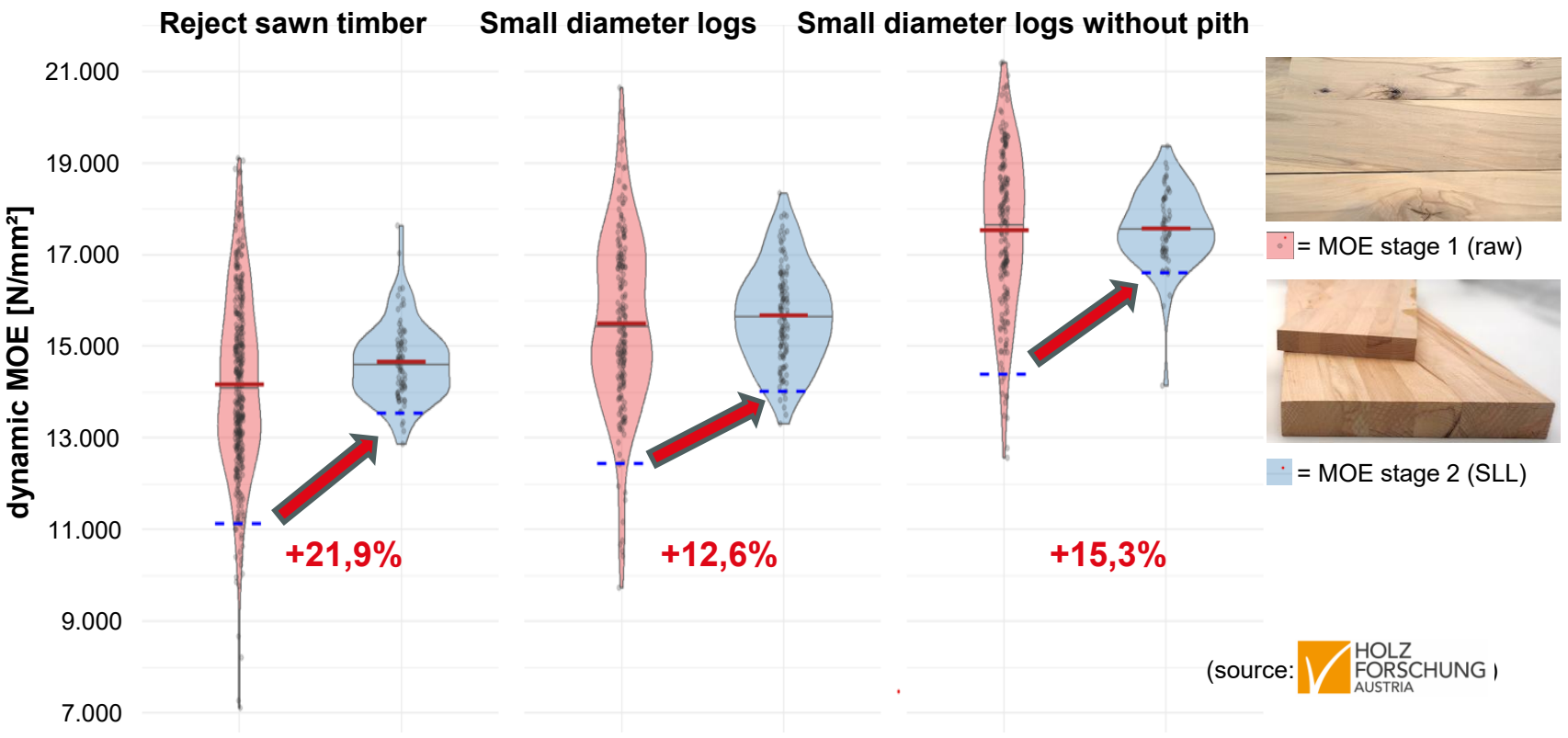
- Higher material yield
- Highly homogenized properties
- Desired dimensions realizable from any raw material
- Higher mechanical performance then softwood
- Use of well-established technology

Through strip-like lamination heterogeneous hardwood raw material becomes significantly more uniform!

Apart from technical advantages the project focuses on making use of „unattractive“ material

Challenges and opportunities (6): new markets (3)

Dynamic MOE: raw lumber vs. strip-like-lamination (SLL)



How do you eat an elephant?

Conclusions/Suggestions:

As an industry we need to:

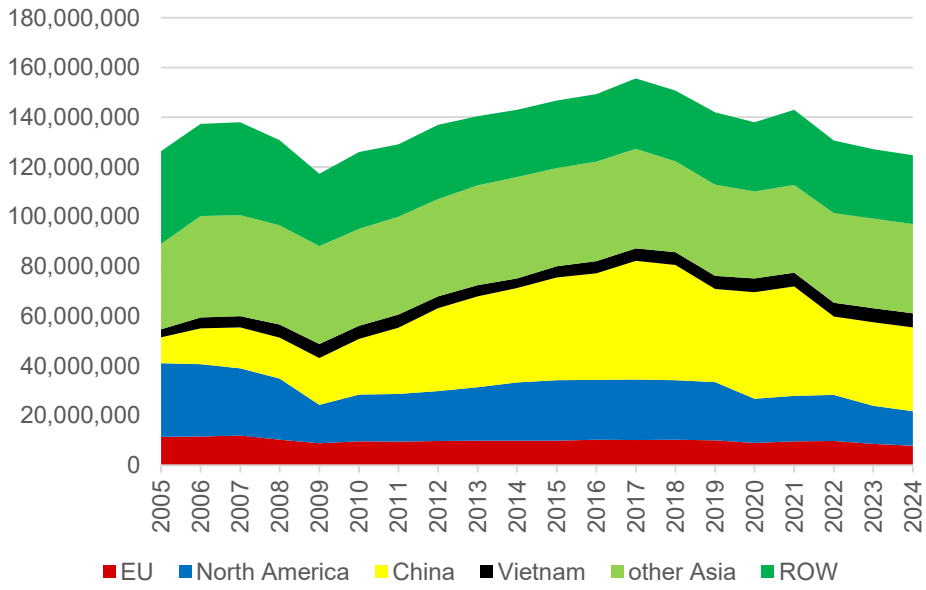
- Articulate louder and earlier that the hardwood lumber industry is a vital part of the solution for a sustainable future!
- Assure that regulations are the same across Europe and if competition is unfair with outside players, appropriate measures are taken!
- Increase demand by:
  - -Promoting the use of hardwood on a European level
  - -Continue R+D efforts to develop new markets
- Most important: Increase our added value and achieve cost-covering returns are vital in order to maintain a reason to exist!

One bite at the time!

Vielen Dank für Ihre Aufmerksamkeit!
Thank you for your attention!

Even though hardwood lumber production has shrunk in general, Europe and N.-America are effected the most!

Status quo (1): shrinking production / demand globally



(Source: faostat)

Production shares per region

	2005	2017	2024
ROW	30%	18%	22%
Other Asia	27%	26%	29%
Vietnam	3%	3%	5%
China	8%	31%	27%
N. America	23%	16%	11%
EU	9%	7%	6%