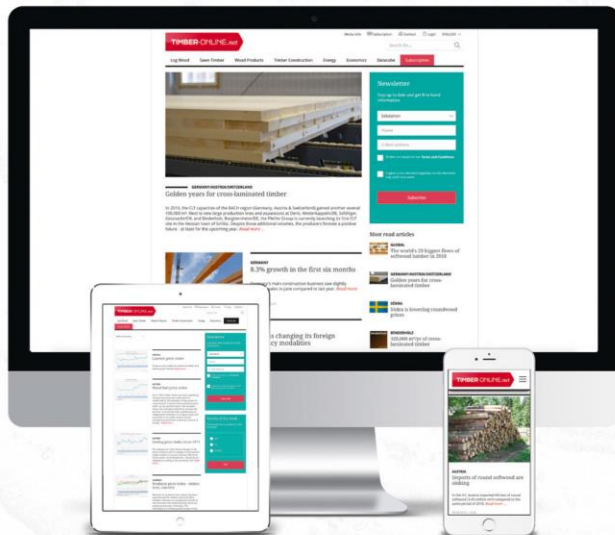


**TIMBER
-ONLINE**

*Knowledge
stimulates
growth.*



Datacube



MENA-Region

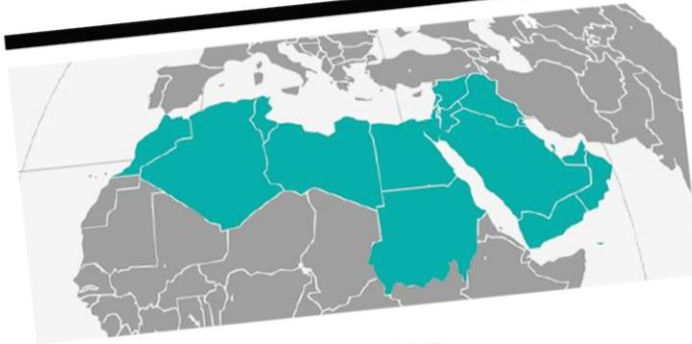
Analysis & outlook for Europe's
most important overseas market

71st International Softwood Conference
Vienna 2023, 11th –12th October

77 years Holz



MENA-REPORT



IMPORT LICENCES FOR ALGERIA

Timber traders and industries operating in the Levant reported a February „worse than it has been for a long time“. This came as a surprise to many, as delivery backlogs were to be reduced. „The Levant is at a standstill“, „Nothing is going to Libya“, „Algeria is buying little“ - that is how some put it. Others are happy to have found „alternatives to the Levant and no longer need this market to its full extent“.

ONLINE.net

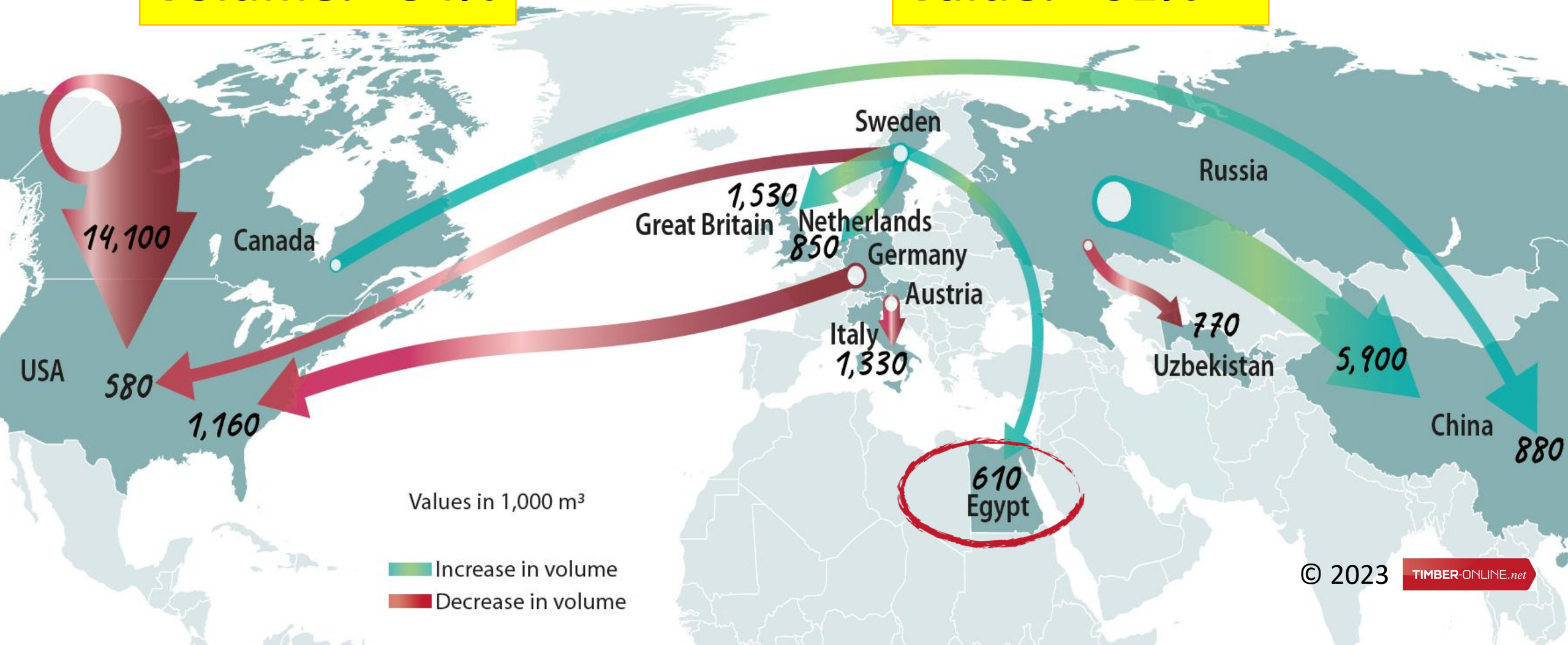
timber-online.net

**ive journalists it's the
ditorial team in the
timber sector.**

Ten biggest lumbertradedflows H1 2023

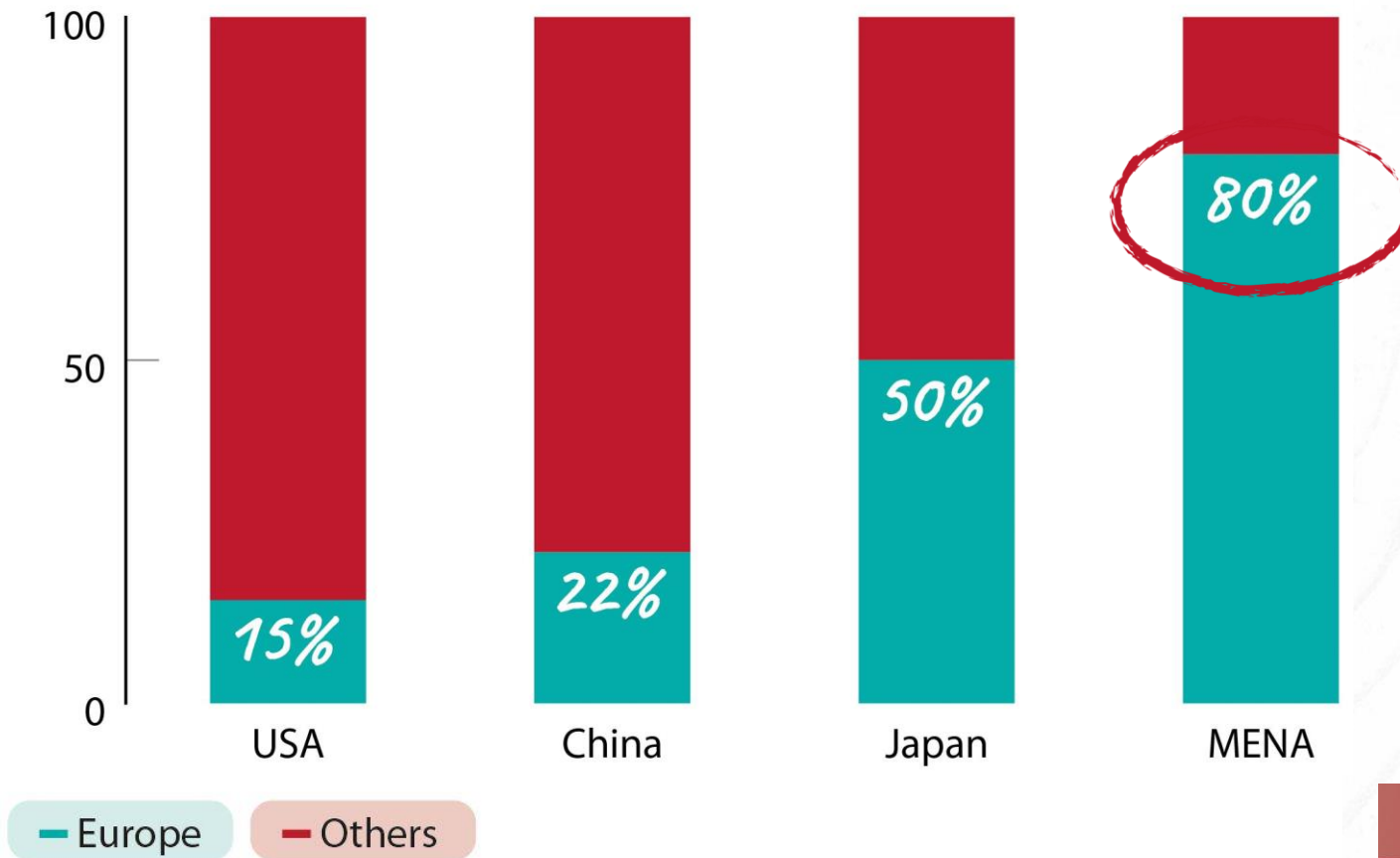
Volume: -34%

Value: -61%

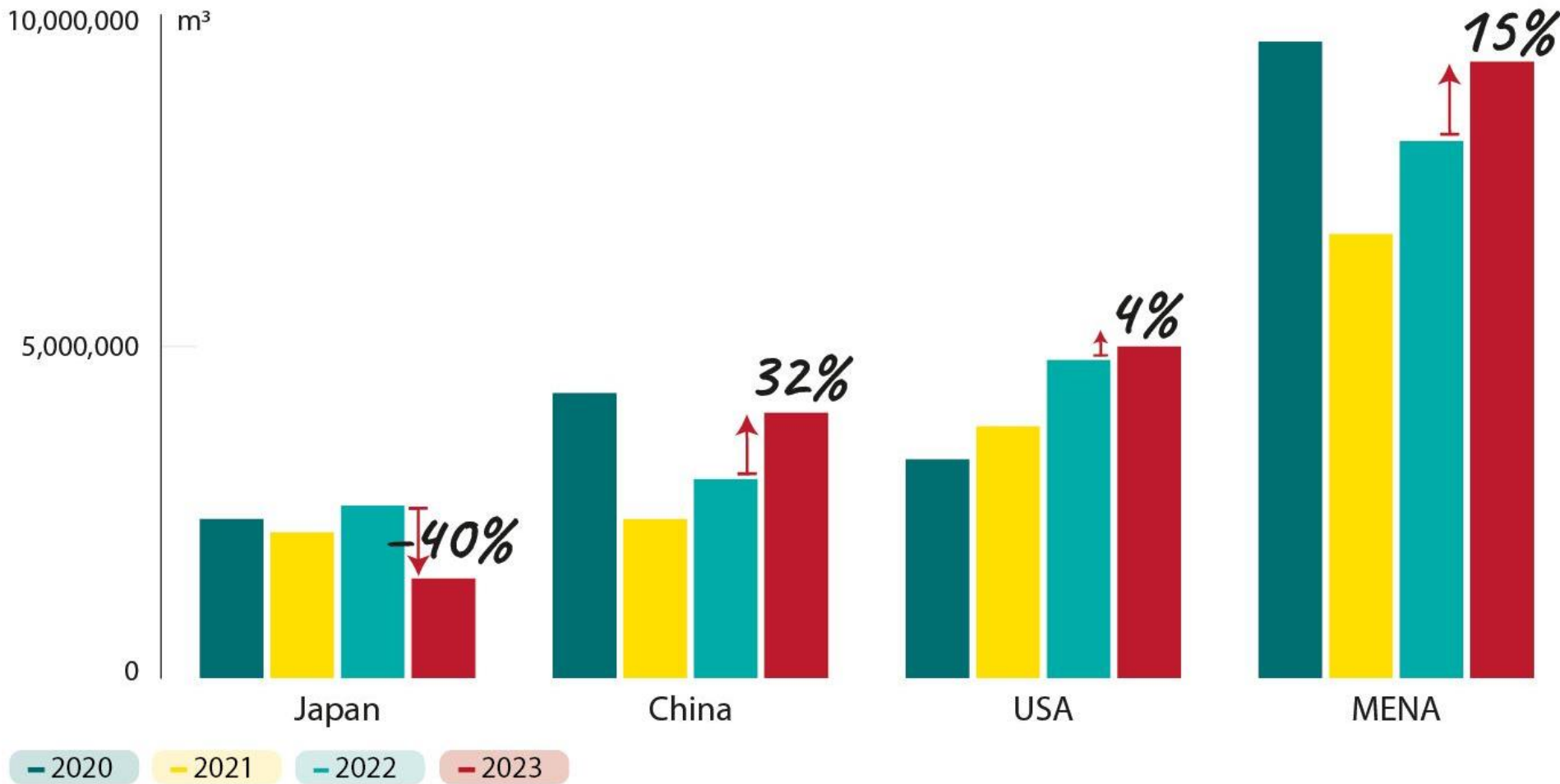


Europe and MENA

MARKET SHARE OF EUROPEAN SAWN SOFTWOOD ON THE WORLD MARKETS | H1 2023



Largest overseasmarkts for Europe



global market share is rising:

2021: 5%

2022: 7%

2023: ~10%

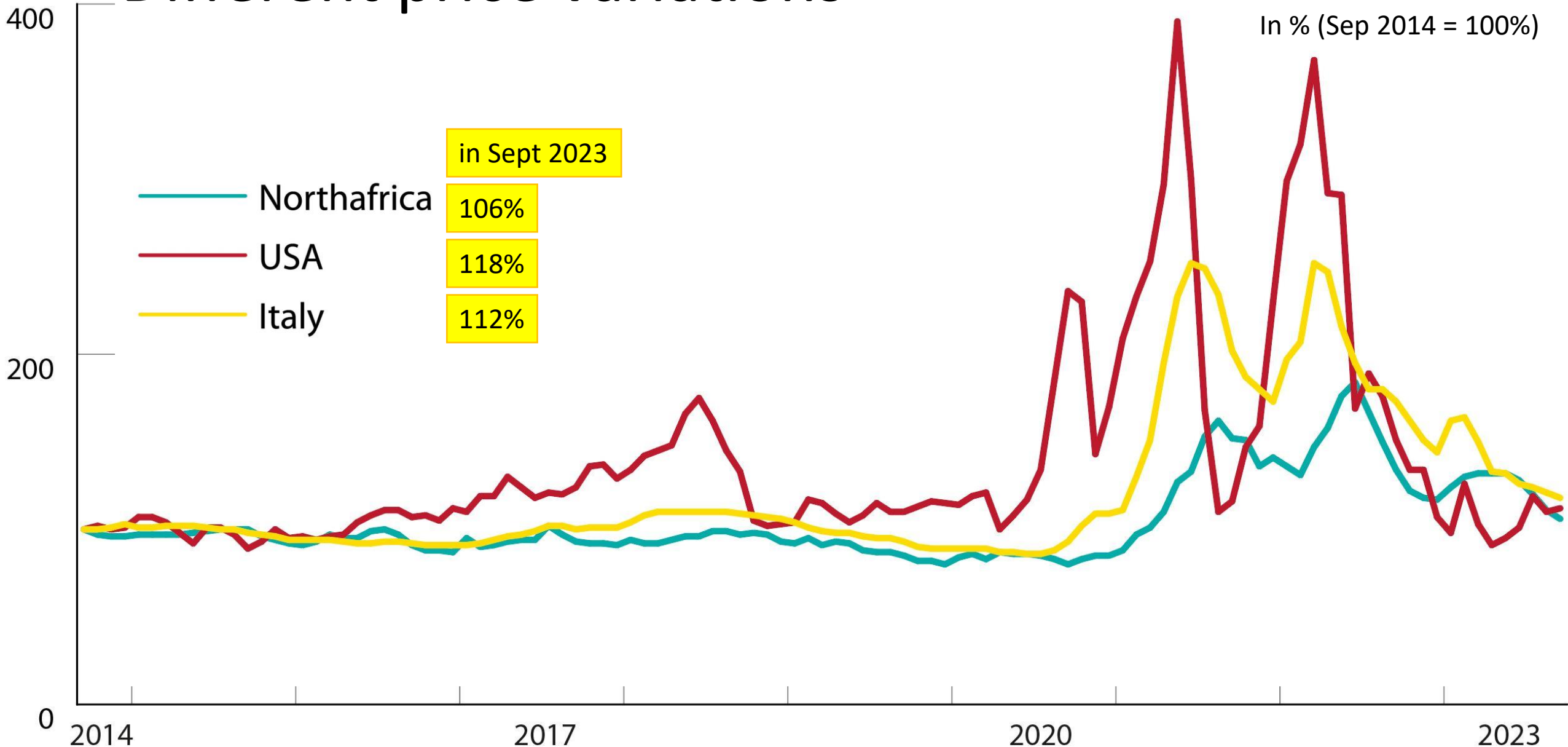
Source: 2020, 2021, 2022, 1st half 2023: FAS, AT: Statistics Austria; other EU: Eurostat; BE: conversion from kg to m³, Chinese Customs, Statistics of Japan; 2023 estimation Timber-online timber online | © timber-online 2023

Mutual dependence

- European suppliers: MENA best, mostly stable sales options for lumber from various logtypes (lower-quality redwood in Scandinavia, lower-quality whitewood in continental Europe), and greenlumber.
- MENA Importers: strong business relationships with exporters over many decades.
Europeans provide the required grades & sizes, surpassing North Americans and Russians producers in this regard.


But ... the business will slowly change

Different price variations



Insights* Europe to MENA H1 2023


total Export: 4,2 Mio. m³
Volume top ten flows: +17%
Value top ten flows: -15%

Highest prices (top ten flows):
Algeria  (230 €/m³)
Lowest prices (top ten flows):
Egypt  (155 €/m³)

Exporter ranking

#1 Sweden  (+35%)
#2 Finland  (+10%)
#3 Austria  (+30%)

Importer ranking

#1 Egypt  (+20%)
#2 Algeria  (> +40%)
#3 Saudi Arabia  (-14%)

* Softwood lumber deliveries from Europe to the MENA region in H1 compared to 2022

Softwood lumber exports to MENA-Region H1 2023

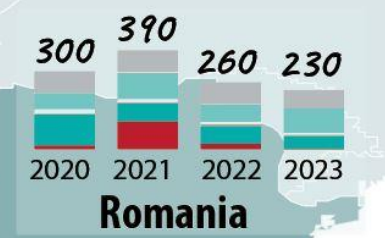
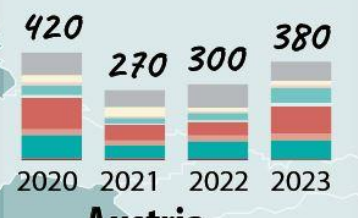
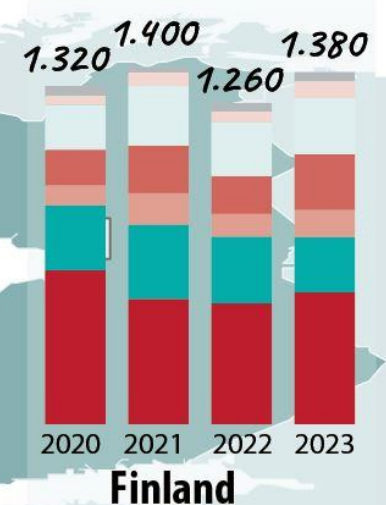
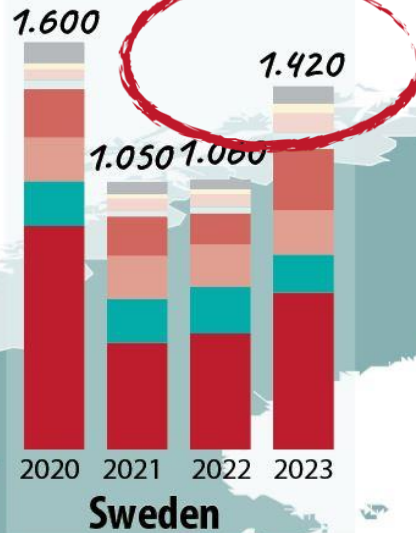
European Softwood Lumber Shipments to North Africa and Middle East (in 1,000 m³)

Exporteur \ Importeur	Egypt	Algeria	Saudi-Arabia	Morocco	Israel	UAE	Tunisia	Jordan	Other countries	Jan-June		Diff. in %
										2022	2023	
Sweden	611	239	150	175	62	1	79	30	75	1.055	1.422	+35
Finland	514	217	217	108	220	0,3	62	30	11	1.256	1.379	+10
Austria	1	105	74	28	15	60	11	4	88	296	384	+30
Germany	10	36	56	45	12	78	0	8	60	248	305	+23
Romania	0,5	0	50	3	8	96	0	4	69	261	230	-12
Slovenia	0,2	84	28	6	0,3	23	9	3	35	244	188	-23
Latvia	49	0	2	3	16	7	9	1	1	88	87	-2
Lithuania	0	0	21	1	20	1	1	0	3	43	48	+13
Italy	9	0	2	1	1	16	0,1	0	12	53	41	-21
Croatia	0,3	0	10	3	0,3	7	0,03	0,2	12	35	33	-6
Other EU	14	3	12	69	8	9	0,3	4	3	120	121	1
Total	1.208	684	623	441	361	299	172	84	368	3.698	4.239	+15

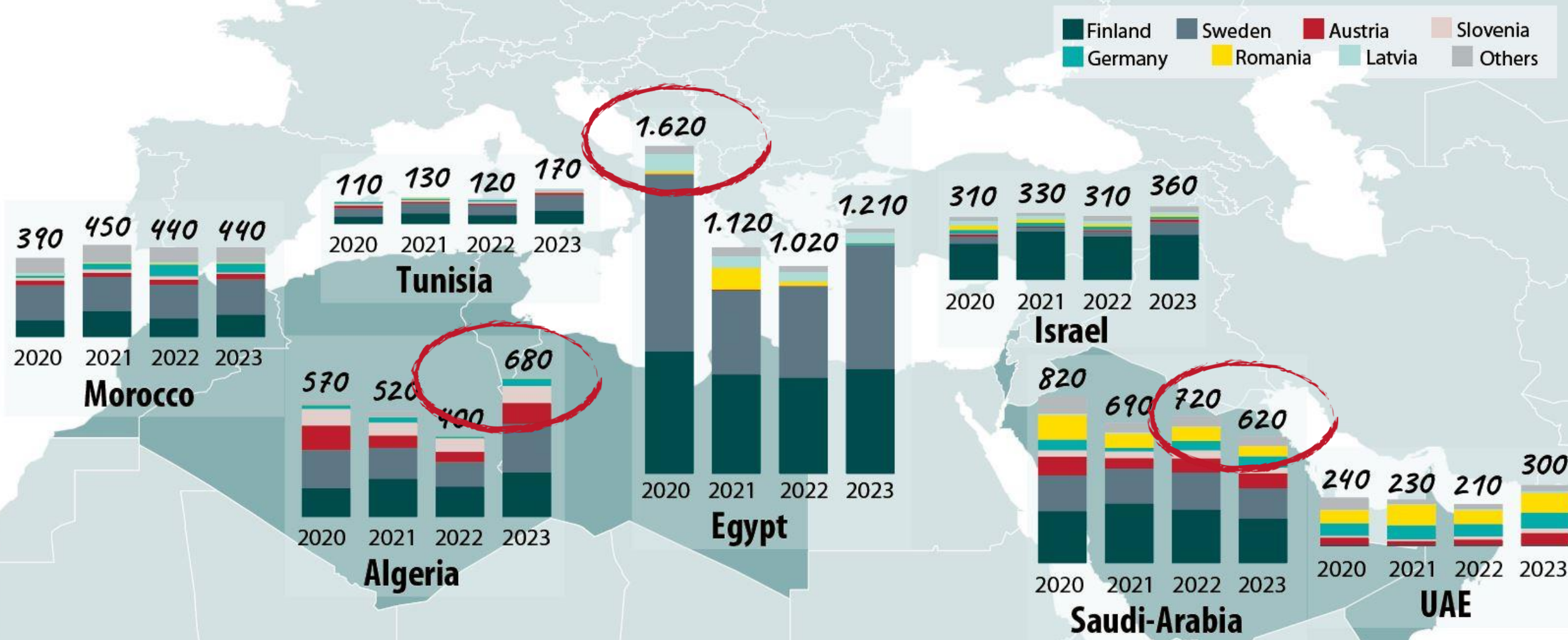
Method: Data from the European statistics authority Eurostat and Statistics Austria were used for the evaluation. The query looked for sawn softwood including planed timber. The HS codes for this product group are: 440711, 440712, 440713, 440714, 440719. Austria does not have its own port of shipment, but delivers to the Levant via Slovenia and Croatia. The model used also takes into account quantities that Austria exported to these two countries. These exports were subtracted from Slovenian and Croatian exports and attributed to Austria. The allocation to the countries of North Africa and the Levant was made on a percentage basis. Holzkurier definition Levant: Algeria, Syrian Arab Republic, Egypt, Ethiopia, Bahrain, Iraq, Islamic Republic of Iran, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Saudi Arabia, Sudan, Tunisia, United Arab Emirates, Yemen.



Sources: AT: Statistics Austria; other EU: Eurostat; BE: conversion from kg to m³ | © timber-online 2023

Lumber Exports to MENA-Region H1 2023



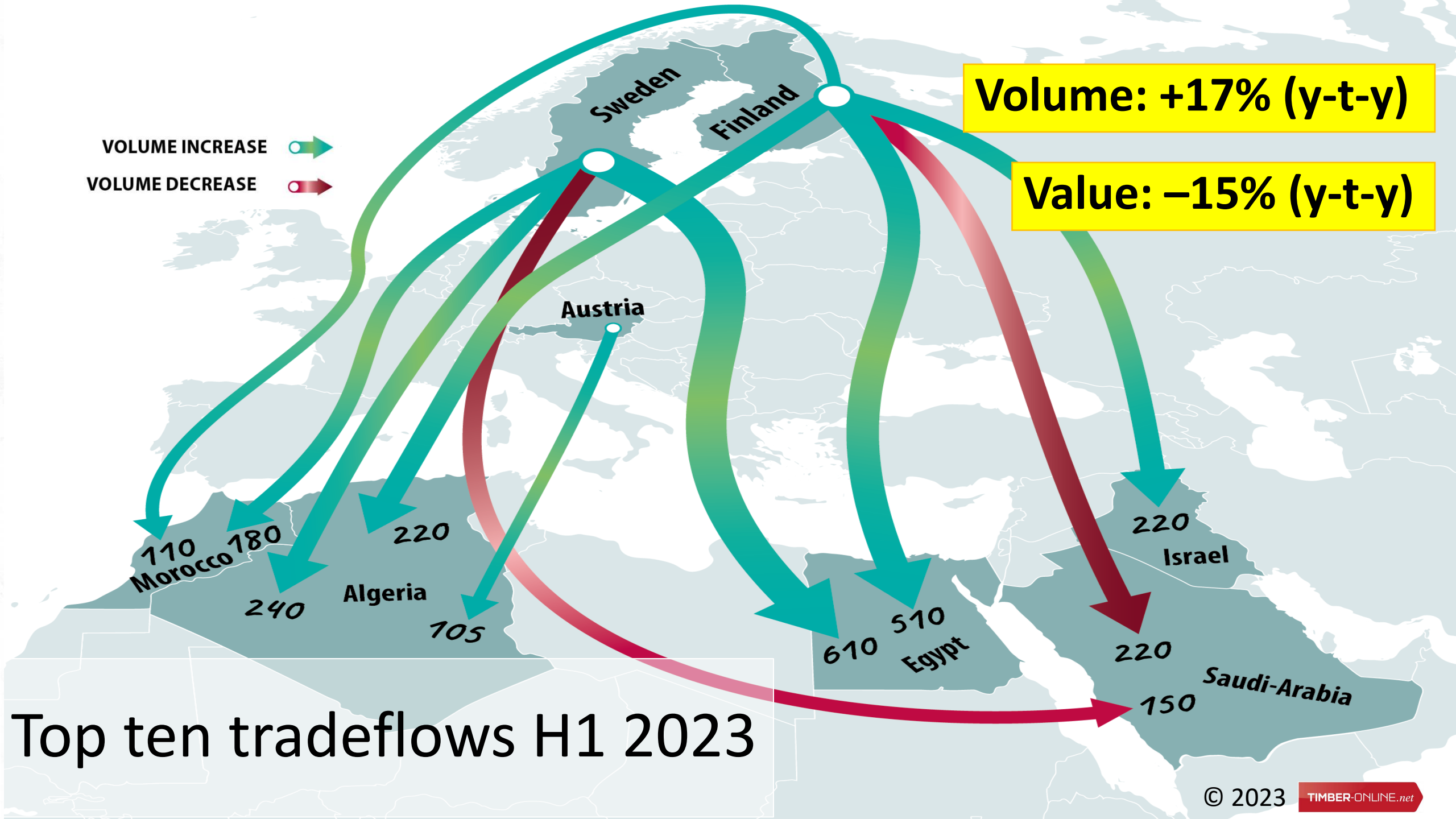
Lumber Imports from Europe H1 2023



VOLUME INCREASE 
VOLUME DECREASE 

Volume: +17% (y-t-y)

Value: -15% (y-t-y)

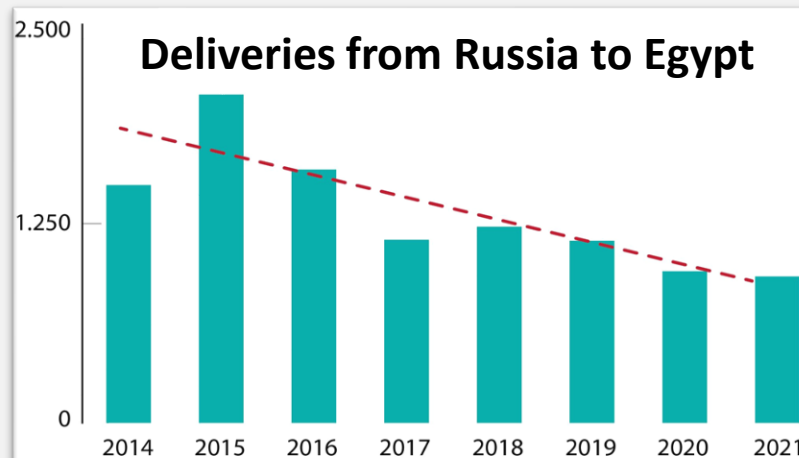


Top ten tradeflows H1 2023

Egypt



- Currency in one year minus 36%, in three years minus 50%
- Still largest market, 1.2 million m³ H1 (2020: 1.6 million m³)
- H1 2023: volume +36%, value -1%
- Many infrastructure programmes
- One of the last destinations for Russia, invoicing in RUB instead of USD (RU: Ø 1 Mio. m³/y)



- No reliable data for 2022, 2023
- Average: 1 Mio. m³/y

Source: russian customs authority

Saudi Arabia on the verge of lift-off

- construction market is currently valued at USD 70 billion
- USD 53 billion in National Infrastructure Fund (NIF) for projects over the next decade
- demand for commercial timber (formwork)
- high construction dynamics - as in "all" Gulf countries





Algeria - strong sales 2023

- 2023 "year of the import licences ": strong import 680,000 m³ in H1
- Ø-pricelevel so far 230 €/m³ (currently: ~220 €/m³)
- "last-minute panic 1": owner of import licences are still buying wood
- "last-minute panic 2": lumber prices are rising in Central Europe



Libya: fragile seedling in a once-thriving market

- Country split in two. After civil war Libya slowly starting to buy again
- largest oil reserves on African continent. Revenues 2022: €20.4 Bio
- International Monetary Fund sees Libya as the "top of Arab countries' growth" at +17.9 % GDP
- Giant market before "Arabic Spring" 2011/
contacts from back then often still in business/
no state purchases, only private companies as buyers

Still just formwork and furniture?

dezeen  Next story

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Shiaeru Ban brings Paper Loa House to Morocco in



2023, 2024

- **production-cutbacks due to less demand/log shortages**
- **log prices are high (Scandinavia, Central Europe)**
- **high logprices plus less production equals higher lumberprices?**
- **lumber demand worldwide will remain weak in 2024 – recovery postponed to 2025**

The years to come

- **climate change with increasing speed: alters forests = different log supply = restriction from legislation**
- **EU- Presidency: Europe becomes a timber construction continent**
- **less softwood exports (more value added products stay in Europe)**
- **European forest industries will supply MENA from South America (North America); new options for New Zealand and Australian suppliers (Middle East)?**
- **without any major crisis: MENA region with increasing demand for infrastructure, housing construction and – overlooked – renovation**

A high-angle, forward-looking view of the deck of a cargo ship. The deck is densely packed with stacks of wooden crates, each secured with red and yellow ratchet straps. The ship is navigating through a rough sea with white-capped waves. In the background, a tall mast and rigging are visible against a heavy, overcast sky. A yellow text box is overlaid on the center of the image.

**Everything is in the flow,
but the shore remains**

Thank you very much for your attention!

All data/information will find on



+



If you need more detailed analyses or individual research about the European market, please contact me directly via LinkedIn ([linkedin.com/in/gerd-ebner/](https://www.linkedin.com/in/gerd-ebner/)) or e-mail g.ebner@timber-online.net

