



PRESS RELEASE

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European timber trade on the mend – the European Timber Trade Association - FEBO – holds its General Assembly in Helsinki

Almost full attendance recorded at FEBO's 2010 General Assembly in Helsinki on 29./30. June.

Market situation

Members reported during the meeting on the market situation in their countries. On the whole, the European timber trade is viewing 2010 with cautious optimism. A decisive turning point is not yet in sight but the first positive signs of recovery are apparent.

The timber trade's first quarter results have improved in all countries, the catalyst being a revival of the general economy and also of the economic climate. State budgets are under consolidation and willingness to invest in both the public and private sector is on the rise; a revival of consumer investment and purchasing power is noticeable, too. In particular the construction sector is providing fresh impulses again in many countries and the modernisation market is functioning as a stabilising factor supporting the improved climate in France, Belgium, Luxembourg, Germany and Austria.

Sales volumes remain stable and increased turnover is largely due to higher prices. Longer delivery times for individual panel lines also point to a significant recovery.

Rotating change of association presidency

The European Timber Trade Association FEBO counts as its members the national timber trade federations of Belgium, Finland, Denmark, UK, the Netherlands, Germany, Austria, Switzerland, Italy and Luxembourg. Almost all of these countries were represented at the meeting – mostly with several delegates. President *Franz-Josef Kall* (Germany) assessed the exceptional attendance as proof of the timber trade's particular interest in European affairs. *"The European Timber Trade Association FEBO is extremely vital, maybe more so than ever before,"* he commented.

The UK will occupy the Presidency for the first time in the period of office 2011 – 2012. The present Vice President, *John White*, CEO of the UK Timber Trade Federation, was elected unanimously to succeed the current President, *Franz-Josef Kall* of Germany, in office.

The delegates elected *Dr. Karl Lindström* from Finland - also unanimously - to the post of 1st Vice President and President-designate for the period 2013/2014. The Board of Directors is completed by the current President *Franz-Josef Kall* from Germany and *Willi Braun* from Switzerland.



The European Timber Trade Association's future – co-operation with importers

As GD Holz, the German timber trade federation, will not continue to run the General Secretariat after 31st March 2011 the members consulted on how the umbrella federation for European internal timber traders can continue its successful work. A working committee will confer on the various alternatives at hand and will present their proposals to the members in the autumn. The working committee will also be looking at the planned intensification of co-operation with the ETTF – the European timber importers' federation.

A new Code of Conduct for the European timber trade

Back in 2005 FEBO was one of the first timber sector associations to adopt an ecological code of conduct. This "Code of Conduct" has now been brought up to date and adapted to recent developments. The current, trilingual edition was passed unanimously by the members in Helsinki. Member federations and their own member companies renew their pledge to procure timber and timber products only from legal and sustainably managed forests. They expressly support the EU Voluntary Partnership Agreements (VPA) with timber producing countries which verify the legality of their harvested timber. FEBO also welcomes the EU's intention to stop imports of illegally sourced timber and timber products and considers the use of due diligence in the planned EU legislation to be an effective risk-reducing instrument.

EU „due diligence“regulation

Delegates took note of the compromise reached only days previously by the Council and Parliament on the EU's due diligence regulation. FEBO has followed the lengthy process of legislation critically over the last 2 years and on several occasions has lobbied the relevant EU bodies on the issue of practicality for the timber trade.

The delegates were satisfied to see that the compromise did in fact take into consideration a number of their practical objections. Universal obligatory labelling for composite products, for instance, has been dropped altogether. Another positive outcome of FEBO's lobbying efforts is that strict due diligence will apply only to the first placing of a product on EU markets. The internal timber trader must only be able to provide proof of the source of his products on demand. In talks with the Commission and Parliament FEBO has frequently brought forward these two issues as examples of excessive bureaucracy and problematic to put into practice.

Recommendations for the correct designation of timber and wood surfaces

Nowadays specialist timber trade stores, construction material outlets and furniture stores offer the consumer a wide variety of products in which wood plays a role of varying importance. In particular the last years have seen many innovative developments in the field of composite products manufactured from wood and other materials. Wood can be found as a solid wood product or processed to particle, fibre or solid wood boards refined by the addition of veneer or foils. Wood imitation foils on carrier panel boards have been perfected in appearance and feel so that the difference to real wood is hardly perceptible.

The positive image of the term "wood" leads to the consumer being confronted by an increasing tendency towards misleading and incorrect product descriptions although, at the same time, he has a right to the correct designation of the wood products that are on sale.



In order to counter this trend FEBO, as representative of the European specialist timber trade, has implemented *Recommendations for the correct designation and marking of timber, timber products and wood surfaces*. These recommendations lay down guidelines for clear product marking and designation which the consumer must easily be able to understand. FEBO recommends that member companies mark their products as follows:

- the designation of a timber species must be correct – no use of imaginary names,
- the designation of the materials or substances used must be correct,
- there must be a clear indication when the “wood” is a reproduction or an imitation product.

FEBO has also invited the European timber industries’ associations and the timber importers’ federations to adopt the recommendations.

Visits to fellow traders, an informative presentation, the supporting programme

Trade questions and the further strengthening of friendly relations were also at the forefront of the AGM schedule.

The Finnish hosts had organised visits to various timber trading outlets for the day before which provided the representatives of the European timber trade with an insight into the wide spectrum of Finland’s timber sector. The schedule included a visit to the Versowood group in Vierumäki. This consortium, with 13 branches in Finland and 3 in the Baltic, operates 3 sawmills and manufactures not just sawnwood but also a range of timber products such as glulam, pylons, wooden cable drums, wooden bridges, palettes and pellets. Three-quarters of their production is destined for export.

A further visit was to the sales exhibition of Koskisen oy in Järvelö where a wide range of innovative elements such as wall and ceiling panels were on show. The production line for pre-fabricated houses was also viewed.

Visits to two trade outlets followed: to Puumerkki, a wholesaler specialised in distributing to bulk buyers and then to the Helsinki wholesaler and retailer Sahakonttori whose business concentrates on trade partners and the end-user.

At all these visits the company owner was on hand to present his business model in detail and to provide answers to any queries.

The evening saw the participants as guests of the Finnish Sawmills Association, an associate member in FEBO, at a gala banquet on Valkosaari island.

A highly informative talk on „An international marketing information system for the timber trade (Innomis)“ was given at the General Assembly by *Dr. Jörg Peter Schmitt, DRS Consulting + Services AG* from Saarbrücken.

To round off the schedule the future Vice President *Karl Lindstrom* invited the participants on a trip to his vacation island in a nature reservation on the Finnish south coast where the delegates were treated to an unforgettable mid-summer night with exceptionally fine weather.



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