



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 3/15/2006

GAIN Report Number: BE6004

Belgium-Luxembourg

Solid Wood Products

Annual

2006

Approved by:

Roger Wentzel

U.S. Embassy, The Hague

Prepared by:

Marcel Pinckaers

Report Highlights:

Wood demand in 2006 is expected to be similar to 2005. Lower demand from the construction sector will be offset by higher demand from the furniture and interior industry.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
The Hague [NL1]
[BE]

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Wood Industry

The Belgian wood industry covers the furniture, panel, construction, packing and pulp & paper sectors. Each segment will be discussed in the following sections. The use of US woods is limited in the Belgian furniture, construction and packing sectors amounting to an estimated €29 million in 2005 or 2% of total imports. For the pulp industry, the US is a more important supplier with an estimated market share of 11% in 2005 (€62 million). Imports of paper and paper board depend heavily on imports from both France and Germany. The US supplies an estimated €112 million worth of products, 3% of total imports. Import requirements for wood and wood packing material are fully harmonized within the EU.

Wood And Furniture Industry

The total turnover of the wood and furniture industry for 2005 is estimated at €5.6 billion. Its most important sub sector is the furniture industry, with a turnover of €3.0 billion (53%). Second and third in line are the panel and construction sector representing respectively, €1.2 and €0.9 billion turnover.

The turnover of the wood sector grew steadily until 2003. That year turnover declined by almost 5% due to: 1) low consumer confidence in the economy; and 2) the negative effect of the weak dollar on Belgium exports. Turnover rebounded by 3% during 2004 and remained stable throughout 2005. For this year turnover is expected to increase slightly, driven by higher spending of the business and private sector on furniture.

Figure 1: Turnover in Belgium wood and furniture industry, million €

	2001	2002	2003	2004	2005*
Furniture	3,316	3,236	2,925	2,935	2,984
Panel	1,062	1,113	1,101	1,259	1,193
Construction	827	880	920	935	918
Packing	256	256	272	267	270
Other Wood	na	252	250	248	262
Total	5,707	5,738	5,469	5,645	5,627

Source: The Belgian Wood Processing Federation Febelhout

*FAS estimates

Small companies with just a handful employees, characterize the Belgian wood sector. Currently there are almost 2,000 small companies of which half have less than 5 employees. In total over 28,000 people work in the Belgian wood industry of which 65% in the furniture sector.

The Belgian wood and furniture industry is export-oriented. In 2004, over 60% of production was exported, predominantly into France, the Netherlands, the UK and Germany. Last year's first 9 month figures indicate no changes for 2005.

The Furniture Sector

The importance of the furniture sector has decreased during the past years but seems to be recovering. An increase of business and private spending on furniture drives this change.

The Panel Sector

This industry is dominated by the production of chipboards. Like in most other wood sectors, turnover in the panel sector was rather low in 2003. During the following 2 years turnover has gone up.

The Construction Sector

After four years of growth, turnover in the construction sector is estimated to be somewhat lower. Demand for wood comes predominantly from the residential and, to a lesser extent, the utility sector. Demand is still strong since people are increasingly buying old houses to renovate. In general, renovating houses demands more wood products (doors, windows, stairs) than building new houses does.

Other Wood Sector

Demand for wood packing material depends heavily on Belgium's export sector. The industry is traditionally located near or at harbors like Antwerp, Gent and Zeebrugge to pack machines but also other products for sea freight.

Belgium has a number of additional wood processing industries. These vary from the production of frames, to brushes, radio and television cabinets or automotive interiors. However, many of these industries are declining as production moves to lower cost countries.

For more information on import regulations for wood products, see the section on import regulations.

Wood Pulp, Paper and Paper Board Industry

The Belgian paper and paper board industry uses wood pulp to produce its products. The industry imports over 60% of its wood pulp needs. Brazil, Sweden and the US are the main suppliers. Some wood pulp is imported directly through Belgian ports while other comes via Dutch ports.

Demand for paper and paper board is driven by the newspaper, book and magazine sector and also the packing industry. In addition to its own paper and paper board production, Belgium heavily depends on imports to supply the domestic and export market. Germany and France alone, are responsible for 40% of total imports. The US has a 3.6% market share on the import market, and there are no indications that will change in the near future.

Figure 2: Belgian imports of wood and wood products, million €

		2002	2003	2004	2005*
HS 44	France	304	316	308	329
Wood	Germany	225	234	279	291
	USA	51	41	31	29
	Other	1,104	1,117	1,197	1,254
	Total	1,684	1,708	1,815	1,903
HS 47	Netherlands	85	78	102	112
Wood pulp	Brazil	114	85	90	107
	Sweden	105	112	113	98
	USA	46	46	60	63
	Other	243	171	165	171
Total		593	492	530	551
HS 48	Germany	931	946	991	985
Paper and Paperboard	France	610	627	632	647
	USA	118	95	108	112
	Other	2,304	2,304	2,252	2,223
	Total	3,963	3,972	3,983	3,967

* estimates
Source: WTA

NOTE: As Belgium is a big trader of paper and paper board, it is difficult to determine what percentage of US imports is used in Belgium and what percentage is re-exported.

Belgium is a big importer of wood, wood pulp and paper and paperboard. In 2005, imports of these products totaled €6,4 billion of which €203 million originated from the US. Almost 60% of these US imports is paper and paperboard.

Import Regulations For Wood and Wood Packing material

Import regulations for wood and wood packing material are fully harmonized with EU regulation and are laid down in Commission Directive 2004/102/EC. The European Commission published this Directive on October 5 2004, amending Directive 2000/29/EC. Directive 2004/102, which entered into force on March 1, 2005, contains a controversial requirement that all wood packaging must be made from debarked wood and could affect an estimated USD 80 billion worth of U.S. agricultural and commercial exports to the EU that are shipped on wooden pallets or in wood packaging materials.

A number of WTO members have expressed their concerns about the scientifically unjustified debarking requirement to the EU. Under ISPM 15, the current international standard established by the International Plant Protection Convention (IPPC), only two pest control measures are approved: heat treatment and fumigation by methyl bromide. On February 28, 2005, the Agriculture Council formally adopted the Commission's proposal to delay implementation of the debarking requirement with one year (published as Council Directive 2005/15/EC in Official Journal L 56). Commission Directive 2006/14/EC further postpones the application of the debarking requirement until January 1, 2009, to allow the IPPC time to evaluate the merits of a debarking requirement. The European Commission is expected to conduct a progress review by September 1, 2007 (<http://www.useu.be/agri/woodpack.html>).

US Mission to the European Union:
Foreign Agricultural Service
Phone: +32- (0)2508-2760
Fax: +32- (0)2511-0918
www.useu.be/agri

Animal and Plant Health Inspection Service
Phone: +32- (0)2508-2947
Fax: +32- (0)2511-0918
www.aphis.usda.gov

Import duties

The EU applies different import duties for the different wood products. For more information on the import duties for the various products, go to the following website http://europa.eu.int/comm/taxation_customs/dds/en/tarhome.htm and select the product code.

Marketing

The following trade shows in the Benelux are related to the marketing of wood and wood products. By clicking on the link you will get more information on the various shows.

Bouw RAI
RAI, Amsterdam, Netherlands
4 - 7 April 2006
www.bouwrai.nl

Europarket
MECC, Maastricht, Netherlands
23 – 25 April 2006

Houtdag 2006
Beurs van Berlage, Amsterdam, Netherlands
8 March 2006
www.centrum-hout.nl

Hout 2006
Ahoy, Rotterdam, Netherlands
3 – 7 October 2006
www.hout.nl

Meubelbeurs
Parc des Expositions, Brussels, Belgium
5 – 8 November 2006
www.meubelbeurs.be

Logistica Beurs
Jaarbeurs, Utrecht, Netherlands
14 – 18 November 2006
www.logistica.nl

Internationale Bouw Beurs
Jaarbeurs, Utrecht, Netherlands
5 – 10 February 2007
www.bouwbeurs.nl

In Germany:

Interzum
 Furniture production and wood interiors
 Kolnmesse, Cologne, Germany
 9 – 12 May 2007
www.interzum.de

Contact Information

The Belgian Wood Processing Federation
 Febelhout
 Hof-ter-Vleestdreef 5 bus 1, 1070 Brussel
 Phone: +32-(0)2-5562555
 Fax: + 32-(0)2-5562570
 E-mail: info@febelhout.be
www.febelhout.be

Association of the Belgian Pulp, Paper and Board Producers
 Cobelpa
 Louizalaan 306, 1050 Brussel
 Phone: +32-(0)2-6466450
 Fax: +32-(0)2-6468297
 E-mail: General@cobelpa.be
www.cobelpa.be

Belgian Federation of Wood Import
 ARSENAAL
 Vrijwilligerslaan 2
 1040 BRUSSEL
 Phone: + 32-(0)2-2194373 - 2293266
 Fax: + 32-(0)2-2293267
 E-mail: info@houtinvoer.be
www.houtinvoer.be

Office of Agricultural Affairs
 Lange Voorhout 102
 2514 EJ The Hague
 The Netherlands
 Phone: +31-(0)70-3102299
 Fax: +31-(0)70-3657681
 E-mail: agthehague@usda.gov
www.fas.usda.gov
www.usembassy.nl/fas.html

Related reports from FAS/The Hague

Report number	Title report	Date released
NL6005	Biofuels situation in the Benelux	02/2006
NL5024	FAIRS Netherlands	08/2005
BE5008	FAIRS Belgium	08/2005