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Timber Construction Europe is the European umbrella organization of the carpentry and timber construction trade. We currently represent 22,000 member companies through our member associations in Italy, Luxembourg, Germany, Switzerland and Austria.

The position paper prepared by Timber Construction Europe describes the current difficult situation for the European timber construction industry and provides solutions for efficient use of timber and forest resources in order to enhance the impact of global climate protection.

### **Current Situation:**

Since the beginning of the year 2021, European carpenters and timber construction companies have been faced with a seemingly dramatic challenge – increased demand in almost all timber construction sectors on the one hand, and an uncertain supply situation when it comes to wood products on the other. And to make matters worse, prices have risen significantly over the course of spring 2021 – in some cases even doubling. The principal reason for this development is attributable to the increase in overseas exports of raw and sawn timber to North America and Asia. They are leading to a shortage on the European markets and are currently thwarting the intended climate protection impact as described in the Green Deal for Europe.

While demand for sustainable and environmentally friendly construction has increased in recent years and the potential of efficient and flexible use of resources in timber construction has been recognized by both politicians and society in general, the global supply situation has worsened despite adequate resources. The reasons for this are climate-related damage to forests, market fluctuations due to the pandemic and limited regional processing capacities.

Environmental factors and the effects of climate change have led to an oversupply of so-called ‘calamity timber’ in several European countries. On the one hand, this oversupply has caused the prices for raw materials to drop in recent years, while on the other hand the sawn timber producing industry is currently benefiting from increased demand on overseas markets. As a result, material costs on the European market have risen significantly for companies producing timber for construction. This makes it more difficult for carpentry companies to calculate current projects. In addition, long delivery periods and supply bottlenecks are slowing down the dynamics on the European timber construction market. This significantly diminishes the contribution to climate protection that timber construction is capable of making.

Climate protection is now one of the greatest challenges for global and, in particular, industrial society in Europe. The construction sector, and in particular timber construction, can and must make an important contribution in this regard given the proper framework conditions. Among other things, this includes short regional supply routes and output chains.

### **Solutions:**

- **Resolute Carbon Dioxide Taxation in the Construction Sector**

The construction sector is responsible for one third of all greenhouse gas emissions worldwide. Global warming must be limited to well below two degrees Celsius compared to pre-industrial levels. To this end it is necessary to resolutely price and include supply routes and the manufacturing processes for building materials with regard to their carbon dioxide footprint when it comes to any assessment under public law. “Embodied energy” must no longer be disregarded in the assessment of buildings and building materials. Within the scope of the Construction Products Regulation, the “sustainable use of natural resources” must be mandated and systematically implemented for all EU Member States as an essential basic requirement for buildings according to the Basic Requirements for Construction Works [BWR] 7.

▪ **Commitment to Silvicultural Use of European Forests**

The forest fulfills numerous tasks. It is a recreational area, an important climate protector, a home for plants and animals, and an important supplier of raw materials. Sustainable forest management ensures that the forest provides these diverse ecological, social and economic services over the long term. The supply of raw materials is thus ultimately secured. Europe's forests are to be used for sustainable forestry and to supply the environmentally-friendly building material timber in future as well. Building with timber increases the climate protection potential of the construction industry. Thus forests and timber construction together as carbon storage can significantly increase climate protection performance. Efficient use of timber resources must be oriented as much to the long-term requirements of the domestic timber industry as to the social requirements of nature conservation. Statutory provisions and regulations for sustainable forestry must be implemented in the process.

▪ **Efficient Use of Timber as a Raw Material**

Even if current timber stocks are marked by environmental influences or insect infestation, the affected substance does not represent an inferior raw material. Instead it has properties almost identical to those of conventional construction timber. So-called calamity timber retains its load-bearing capacity and its important function as a carbon dioxide sink, regardless of external deficiencies.

From an ecological and climate policy perspective, material use of timber should in principle take preference to thermal use. The potential for material use of timber has not yet been exhausted to any extent. The framework conditions for cascade use must be further improved in order to maintain the carbon dioxide storage effects and thus the respective impact on climate protection.

▪ **Promotion of Sustainable local supply networks**

In order to make an efficient contribution to climate protection direct, regional supply of raw materials is of great importance. A stringent output chain from the forest to the saw mills and on to the timber processing companies with short supply chains is highly ecological. This achieves the best possible effect on climate protection, as long transport routes and thus carbon dioxide emissions are avoided. It also strengthens small and medium-sized economic structures in the European regions. This includes the establishment of efficient cooperative structures and the formation and promotion of cooperatives as such. In this manner stable and fair prices as well as reliable availability along the output chain may be achieved.

Signed by the Presidium of Timber Construction Europe

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