



Production

With an increase in value of 8.3 % the Austrian wood industry achieved a total production volume of 7.64 b. EUR in the past financial year according to business statistics. As a result, the positive trend of 2010 continues (+13.6 %).

Companies

The wood industry consists of 1,489 active companies, 1,200 of these enterprises are sawmills. The wood industry is a multi-faceted economic sector, comprising the saw milling industry, the construction sector, the furniture industry, the wood products industry as well as the ski industry. Most of the companies of the wood industry are small and medium sized enterprises. Remarkably, almost all of these companies are privately owned.

Employees

The wood industry is a significant and steady employer: 28,606 people were working in the wood industry in 2011 (2010: 28,116) – 824 of them were apprentices. It is one of the largest employers of all 17 Austrian branches of industry and, at the same time, one of the few industries with a traditionally steady number of employees throughout the last decades.

Foreign Trade

The wood industry is a highly export-oriented sector with an export quota which has already been over 70 % for several years. 2011's total volume amounted to 5.28 b. EUR (69 % export quota). This constitutes an increase of 5.6 % in comparison to the previous year. Sawn wood, glued-laminated wood, wooden materials (wood-based panels) and skis contribute to this result with an exceedingly large percentage. The countries of the European Union (especially Germany and Italy) were the most important buyers of Austrian wood products with a share of 74.4 % (3.93 b. EUR). The remaining 25.6 % were split between other European countries (13.2 %), developing countries (2.5 %) and other markets like the USA and Japan (9.9 %).

Imports

Imports of wood products increased as well in 2011. The total import value was 3.72 b. EUR, resulting in a 10.1 % increase in comparison to the previous year. These imports originate predominantly from the European Union with a total share of 86.4 %.

Trade Balance

Foreign trade is a substantial cornerstone of the Austrian wood industry. The wood industry is one of the few branches of industry with a consistently positive trade balance over the past years. In 2011, a decline of 3.9 % (1.56 b. EUR) in comparison to the previous year was reported. However, the trade balance still remains high because an increase of 19 % was produced in 2010. When combined with other sectors of the wood and forestry industries' supply chain the foreign trade surplus is approximately at the same level as the Austrian tourism industry.

Construction Industry

2011's sold production in the construction sector amounted to 2.54 b. EUR. This constitutes a surplus of 10.3 % in comparison to the previous year. The individual sectors of the construction-related sector report a predominantly positive trend.

The production of windows, which is the most important sector, reports a positive result for 2011 and increased to 455.9 m. EUR (+3.32 %). The production of pre-fabricated wooden houses increased slightly to 546.9 b. EUR (+12.7 %). Production of doors showed a minor decrease of 0.91 % (241.7 m. EUR). Production of glued structural components showed a constant development (656 b. EUR, +13.4 %).

Foreign Trade

- **Windows:** exports: 76.4 m. EUR (+9 %), imports: 22.3 m. EUR (-13.5 %). This resulted in a trade balance surplus of 54.1 m. EUR (+22.6 %). Germany is the biggest buyer of Austrian windows with an export quota of 44.8 %. The second largest export market is Italy with 19.5 %, followed by Switzerland with 12.9 %.
- **Doors:** exports: 29.5 m. EUR (+15.8 %), imports: 35.9 m. EUR (+4.9 %). The result is a negative foreign trade balance. The most important buyer of Austrian doors is

Germany with an increase of 22 %. The second largest export market is Switzerland with +26.2 %.

- **Wooden floors:** exports: 220.6 m. EUR (+6.7 %), imports: 79.431 m. EUR (+18.4 %). The foreign trade balance improved compared to the year before and shows now a surplus of 141.2 m. EUR. Export markets are Germany (55.7 % export ratio), Switzerland (20.1 %) and Italy (5.7 %).
- **Laminated wood:** exports: 397.2 m. EUR (+4.5 %), imports: 28.4 Mio. EUR (-14 %). The laminated wood sector is one of the few segments of the construction industry with a significant trade balance surplus of more than 368.8 m. EUR (+6.28 %). Italy with its market share of 50.6 % is the main buyer of Austrian laminated wood. Japan is the second largest export market with 25.3 %, followed by Germany with 9 %.

Poland with 144 m. EUR (+11.4 %). From outside the EU, Switzerland is a significant importer with 40.3 m. EUR (+10.9 %), followed by Bosnia-Herzegovina with 17.5 m. EUR (+6.7 %) and Turkey with 12.3 m. EUR (+3.8 %).

Asia

China could increase its exports to Austria by 14.4 % to a value of approximately 126 m. EUR. In percentage terms the quantity grew by 17.3 %. Meanwhile, Vietnam (+25.1 %, 10 m. EUR) has surpassed Taiwan (-13.5 %, nearly 9 m. EUR) among major importers. With +18.8 % and about 8 m. EUR, Indonesia is among those moving up the ranks.

Wood-Based Panel Industry

Stable market development. Unsolved location problems.

According to available preliminary export reports, the successful consolidation course of the panel industry produced the desired results; an increase in volume exported to the most important markets, particularly chipboards, is a clear indicator for this development. The measures implemented during the crisis years, which included the reduction of capacities, held the competitiveness of the Austrian panel industry at a high level.

Turbulences in the financial markets and various international debt crises did not have as much of an impact on the real economy as originally feared by the Austrian panel industry.

An export quota of up to 80 % is definite proof for the strong performance of companies located in Austria. However, a growing number of companies criticises Austria's increasing location problems.

A basically stable market development and promising growth potentials in several markets are notable positive effects. However, the fact that enormous increases in costs for raw materials and pre-materials were only partially covered by product pricing strategies resulted in significant pressure on profits. The medium-term effects of this development have a negative impact on constantly necessary investments, particularly in this capital-intensive industry.

Austrian panel manufacturers achieved their consolidation targets, which they started during the crisis years, in a joint effort of their respective managements and

Furniture Industry

After a production growth of 1.6 % in 2010, the Austrian furniture industry had to face a decline in total production of 3.3 % (2.29 b. EUR). This decline in production is mainly due to parts of the supply industry ('parts for furniture' -20.1 %). In 2011, mainly office furniture (+9.1 %), living room furniture (+5 %), garden furniture (+7.1 %) and bathroom furniture (+9.8 %) as well as shop fittings (+1.1 %) could increase their production. A decrease was reported by sub-sectors like sitting furniture (-4.6 %), mattress manufacturers (-3 %) and the kitchen furniture industry (-2 %).

Exports:

In 2011, exports increased to 1.31 b. EUR (+2.4 %). However, this level has still a long way to go before reaching the top value of 2007 (1.6 b. EUR). Kitchen furniture was a big export success (+26.5 %) with 53 m. EUR, followed by office furniture with 23.8 % (88 m. EUR). Positive trends were also reported by shop fittings (+16.7 %) and living furniture (+12.2 %).

Import:

Furniture imports to Austria increased by 11.3 % and resulted in a total value of 1.83 b. EUR. The import quota from the EU26 increased by 11.4% and resulted in a total value of 1.57 b. EUR. Germany: 950 m. EUR (+12 %). Italy is on the second place with 148 m. EUR (+9.4 %), followed by

their employees. Their consistent optimisation of production processes, marketing and sales as well cost structures are a matter of course. The industry must demand the same level of commitment of its politicians.

Foreign Trade Balance

According to currently available foreign trade figures, a welcome foreign trade surplus was achieved. These figures project a surplus of more than 700 m. EUR for the chipboard, MDF and fibreboard sector. High standards in production technology and decades of experience in product marketing are the basis for the success of this industry which operates on a predominantly international market.

Commodity Market

As mentioned before, assuring the long-term supply of wood is a decisive factor for the Austrian panel industry in particular and for the Austrian wood industry in general. Therefore the panel industry entered a broader discussion with Federal Ministers Berlakovich and Mitterlehner with a letter written by Mr. Döry. This was the industry's first independent announcement of its concerns regarding the biomass complex.

During the next step, the panel industry organised the wood industry's appointment with industry representatives of both government parties and made them aware of the concerns of this branch of industry. Intelligent energy generation has to be the goal.

The implemented measures have to be extended along these lines; additionally, it is vitally important for the wood industry to expand its contacts to the respective representatives in the rail transport sector.

Saw Milling Industry

A difficult year has passed, production remained stable in 2011

The Austrian saw milling industry is a large and very successful sector with approximately 1,200 companies and close to 10,000 employees. The saw milling industry is the biggest processor of wood in the entire wood industry. It handles 83 % of all processed solid biomass. Two thirds of its production is designated for export. Austria is the world's fifth-largest exporter and the sixth largest producer of sawn soft-

wood. The saw milling industry contributes substantially to Austria's foreign trade balance and consists almost exclusively of small and medium sized enterprises. Its eight largest companies generate approximately 53 % of the total production volume; its 40 largest companies produce approximately 83 %.

In 2011, the production of sawn wood amounted to 9,658 m. m³ and therefore remained stable compared to the year before. The production value of the Austrian saw milling industry increased by 9 % to approximately 2.1 b. EUR (2010: 2 b. EUR). In 2011, approximately 16 m. m³ of round wood were cut just like in the year before, whereas 4.7 m. m³ of saw logs were imported.

Decrease of sawn softwood exports

As two thirds of the production is exported, the development of exports is very significant. In 2011, approximately 5.6 m. m³ of sawn softwood were exported. This is a decrease of about 6 % (2010: 6 m. m³) compared to the previous year. In terms of value, the export volume remained stable with approximately 1.1 b. EUR.

More than 60 % of all sawn softwood exports went to Italy, our long-standing key export market. With an overall sawn softwood export of 3.4 m. m³ the Italian market declined by 4 % (2010: 3.5 m. m³).

Exports to Germany increased by 1.7 % (2011: 576,415 m³). The export volumes to Switzerland (120,123 m³) increased by 3.7 m³ and those to the Czech Republic by approximately 30 % (137.257 m³). On the whole, exports to European Countries increased by 8.4 %.

Exports to the Levante decreased by more than 24 % (2011: 793,391 m³).

The Japanese and Asian market decreased by 4 % to 319,938 m³ (2010: 333,334 m³).

The production of the saw mills specialised in hardwood decreased to 151,000 m³ in 2011 (2010: 158,000 m³). Exports of sawn hardwood decreased by 1 % in 2011. In terms of value, the export volume amounted to 73 m. EUR (2010: 71 m. EUR).

Increase of sawn softwood imports

In 2011, imports of sawn softwood increased significantly by 7.5 %. The total imports amounted to approximately 1.7 m. m³. In terms of value, the volume of imports amounted to approximately 340 m. EUR.

Sawn softwood imports from Germany, which is the largest import country, increased by approximately 21 % to 973,939 m³ (2010: 805,682 m³). Imports from Romania (+7 %, 126,129 m³), Slovenia (+109 %, 69,121 m³), Sweden (+86 %, 25,270 m³) and Estonia (+64 %, 10,011 m³) increased. From the Czech Republic, the second largest import country, imports decreased by 17 % to 201,122 m³. Imports from Finland (-6 %, 87,128 m³), Russia (-18 %, 71,691 m³) and Switzerland (-82 %, 13,587) decreased. Imports of sawn hardwood increased in 2011 by 6 % to 201,600 m³ (2010: 189,000 m³).

Imports of softwood logs decreased sharply

In 2011, approximately 4.5 m. m³ of softwood logs were imported to Austria, which result in a decrease by 10 %. Imports from the Czech Republic, the biggest import country, decreased by 9 % to 1.8 m. m³. Imports from Germany decreased by 19 % (2011: 1.3 m. m³). Imports from Slovakia decreased by 40 % to 372,000 m³.

Softwood imports from the Czech Republic account for 40 % of the total volume, Germany for 30 %, Slovenia for 9 %, Slovakia for 8 %, Switzerland for 5 % and Poland for 2 %. These countries cover approximately 90 % of all softwood log imports. Switzerland had the biggest increase with more than 229 % to 223,310 m³.

Ski Industry

Skiing is popular among families as well as individualists. Short sales season for sports retailers.

The late start of winter season resulted in declining sales of sports goods at retail until mid-December and, subsequently, in lower re-orders for the industry.

The sales season was very short: sales declined due to a significant cold snap in mid-February. Therefore the ski industry has to prepare itself for lower order quantities from retailers. This decline in order quantities was already confirmed through contacts in the retail sector during international trade fairs for sports goods in spring.

The impacts of a short winter were felt by the alpine ski sector as well as the cross-country ski segment. The late start of the

winter season in Scandinavia also resulted in unusually late sales activities.

Japan's season took a different course than the season in Europe or Northern America, as snow conditions were much better in Japan. The development after the dramatic events of early 2011 was significantly better than expected. Just like in Europe, it is the generation of Japan's parents who turns to skiing and introduces children to this winter sport.

The predominantly positive development of Eastern European markets will definitely benefit from the positive impulse generated by the 2012 Winter Olympics in Sotschi (Russia). Even now, more and more schools, sports associations, media, public authorities as well as politicians become increasingly aware of this attractive winter sport.

Internationally renowned brands. High export quota.

The Austrian ski industry is an important player in the winter sports business. There are very few brand-name products from Austria which are as popular around the world as Austrian ski brands like Atomic, Blizzard, Fischer, Head, Kneissl. Very few Austrian industries can compete with ski sector's impressive export quota of over 80%.

