Production

The turnover of the Austrian wood industries in 2003 reached € 5.42 billion, representing an increase of 4.4% compared to the previous year. However, this figure only equals the 2001 production value (see charts on page 6).

Enterprises, Employees

The Austrian wood industry comprises about 1,774 enterprises of which 1,400 are sawmills. The structure of the companies is mostly medium-sized and most of them are privately owned.

The Austrian wood industries are known as important and reliable employers. With 30,455 employed people, the workforce is almost the same as 2002. The industry is one of the few industries where the number of employed people has remained reasonably stable.

Foreign Trade

The wood industries are highly export oriented with an export share of almost 70%. Sawn softwood, wood-based panels and skis are the most exported goods. In 2003, the total export volume was € 4.27 billion, which represents an increase of 4% over 2002. With 66.6% (€ 2.68 billion), the European Union is the most important buyer of Austrian wood products. The two main export destinations are Germany and Italy. The remaining 33.4% is shared by the Eastern European countries (12.3%), the developing countries (1.2%) and other countries, such as the USA and Japan (19.9%), (see table on page 7). The foreign trade surplus in 2003 grew by 9.6% to € 1.92 billion.

Sectors

The wood industries are an extremely wide-ranging sector. The main sectors, in production terms, are the sawmilling industry, the furniture industry, the construction elements industry, the wood-based panels industry and the ski industry.

Construction Elements Industry

In 2003 the turnover of the construction elements sector amounted to € 1.65 billion. This represents an increase of 9% compared to last year. The various branches of this sector, dependent on the construction industry, mostly show a downward tendency.

The production of windows, the most important branch, performed positively reaching € 335.9 million in 2003. However, the production of prefabricated wooden houses decreased slightly. The production value of € 329.7 million corresponds to a decrease of 1.5%. With regard to doors, production increased by 4.9% to € 237.9 million. The wood floorings (parquet and plank floorings) sector continued to grow in 2003. The production of glued laminated timber elements showed a positive development, increasing by 8.3% to € 178.8 million in 2003.

Foreign Trade

In 2003 **window** exports developed positively, increasing by 17.9% in volume and by 6.3% in value to € 34.15 million. On the other hand, imports dropped by 10.8% in volume and by 1.6% in value, reaching € 19.32 million. See table on page 16.

As regards **doors**, 2003 was characterised by a marked decrease of imports and exports. Imports decreased by 3.2% in volume and by 2.7% in value. In total, doors amounting to € 27.19 million were imported. The decrease in exports amounted to 4% in volume and 15% in value. In total, exports reached over € 20 million (€ 20.27 million). See table on page 16.

Wood flooring exports developed very positively in 2003. Parquet flooring exports increased both in value (+27.2%) to 141.98 million and in volume (+22.3%). Imports, however, increased by 2.6% in value to € 76.01 million and by 14% in volume. See table on page 17.

Laminated timber exports increased markedly by 21.1% in volume and 21.5% in value to € 151.9 million. Imports, on the other hand, increased only slightly in volume (+6.4%) and value (+14.9%). In 2003 laminated timber for a value of about € 16 million (€ 16.01) was imported. See table on page 17.

Furniture Industry

In 2003 the Austrian furniture production reached € 2.27 billion (+5.7% as compared to 2002). See table on page 19.

Sitting furniture, office and shop furniture, as well as other furniture showed a positive development. Unfortunately, the kitchen furniture market decreased by € 272 million. On the other hand, sitting furniture developed very positively, increasing by 14.7% to 2002 to an amount of € 412 million. Office and shop furniture in creased by 1.4% to € 401 million.

The other furniture sectors could also report a positive trend with a 6.1% increase. Other furniture includes furniture that cannot be referred to one of the aforementioned branches: wooden beds, plastic furniture for bathroom and garden, wooden and metal furniture parts or other materials.

Wood-based Panel Industry

In 2003 the Austrian particle-, MDF and fibreboard production was affected by the international economic situation. Although the market in volume was with great efforts stable, the value decreased. The particle and fibreboard production increased to € 699.8 million (2002: € 666.4 million). The MDF production reached € 115.5 million, so the total value was € 815.3 million.

As a result of very high investments in Austria in the last years, the panel industries have the most modern plants from a technological and environmental point of view in the world. In 2003 the new plants were further upgraded, especially in the particleboard sector but even more in the MDF sector. That is one of the reasons for the increase in production.

The major part of the production came from the particleboard production of € 651.8 million as compared to € 608.4 million in 2002, an increase of 7.1%. The value of fibreboard produced reached approximately € 48 million. Production of MDF board amounted to € 115.5 million (2002: € 105.6 million), an astounding 10% increase in output!

The total amount of MDF board production is 550,000 m^3 (2002: 480,000 m^3).

Foreign Trade

In 2003 the foreign trade surplus was further increased. While exports amounted to € 638.7 million in 2002, they rose to € 652.3 million in 2003. During the same period, imports rose from € 94.3 million to € 98.4 million. That means that the balance of trade showed a surplus of € 553.9 million in 2003. See table on page 24.

Austrian Wood-based Panel Producers in Europe

The Austrian particleboard, MDF and fibreboard companies, which are mainly family businesses, have followed an exceptional development: They operate in 40 locations in Europe.

Solid Wood Panels

The production value of the three and multi layer solid wood panels was about € 34.8 million in 2003. The trade surplus in 2003 amounted to over € 150 million (€ 151.5 million), a decrease, however, of 3.3% compared to 2002.

In 2003 solid wood panel exports decreased by 1.9% as compared to the year 2002 reaching € 245.7 million. With a share of two thirds of the exports, the EU countries are the most important target market. Imports, on the one hand, increased by 0.3% to € 94 million. See table on page 26.

Sawmilling Industry

In 2003 the turnover of the Austrian sawmilling industry amounted to € 1.9 billion. Compared to 2002, this is an increase of almost 3%. Production of sawn wood increased to 10.51 million m^3 (see table on page 27). The development in the first quarter of 2004 shows a positive trend.

The sawmilling industry comprises about 1,400 enterprises of which about 1,200 are small-sized, with a total number of workers of about 10,000.

Foreign Trade

In 2003 sawn softwood exports reached the record volume of some 6.57 million m^3. This is an increase of 5.4% as compared to 2002 (6.23 million m^3). In terms of value, the export volume of the sawmilling industry amounted to about € 1.1 billion (in 2002: € 1 billion). See tables on page 28.

Approximately two thirds of all exports go to Italy, the main export market. In 2003, exports grew over 6% to 4.28 million m^3, as compared to 2002 (4.03 million m^3). In spite of the weakness of the US dollar, the US market showed a positive development, with an increase in exports of almost 10% to 353,457 m^3 of sawn softwood. Following an increase of 7% in 2002, the Japanese market slightly decreased by 3% in 2003. Japan is the second most important trading partner of the Austrian sawmilling industry.

Sawn hardwood exports increased remarkably. In all, 146,269 m^3 were exported in 2003. This is an increase of almost 15% as compared to 2002.

Imports increased distinctively in 2003. The total import of sawn softwood amounted to some 1.24 million m^3. This is a 10% rise over previous year's figure (in 2002: 1.12 million m^3). Imports amounted to € 186 million. Almost half of the imports of sawn softwood came from the Eastern European neighbouring countries. Sawn hardwood imports rose by 2.2% to 208,881 m^3 (2002: 204,316 m^3).

The sawmilling industry contributes essentially to the trade surplus in the Austrian wood industries.

PEFC – Dynamic Implementation

Of particular importance to the Austrian sawmilling industry is the rapid implementation of the certification system according to PEFC. More than 53 million hectares have been certified in Europe. Since 2002 all of the Austrian forest has been certified. A continuous supply of certified raw material is therefore guaranteed. The number of certified companies in Austria was increased from 40 in 2002 to over 270 (150 sawmills) in May 2004. Almost 1,300 companies are certified world wide.

Ski Industry

Despite difficult market conditions the Austrian ski industry further strengthened its dominating position in 2003. The main element is the complete offer around the ski, including more fixation and plate. 85% of all products are sold "in set" (including the fixation option). The current generation of carving skis is even more mature technically. Additionally, there is a new market for younger people using special skis as "Free Riding" or "Ski cross". In the last years prices have slightly increased, also because of the numerous inventions. Consumers expect a very high quality from a ski "Made in Austria", which cannot be sold under its price. In average, nowadays every Austrian buys skis more often than before the carving skis wave.

The U.S./Canada has remained the largest single market where over one million pairs of alpine skis are sold. Austria supplied last year some 400,000 pairs of alpine skis (+6.9%) and this positive trend is forecast to continue. The second most important markets are Austria and Germany, which together absorb about the same volume as the American market. However, the share of "Made in Austria" there is about 900,000 pairs.

Eastern Europe is a very promising market: Above all, the Czech Republic and Poland which have own skiing areas as well as Russia. In 2002, 266,000 pairs of ski were exported to Eastern Europe, half of which to the Czech Republic. Naturally, due to the lower purchasing power, only a small part of the demanded skis come from a high price range.

The Japanese market decreased to less than 500,000 pairs. In 2002 Austrian exports amounted to 265,000 pairs. Moreover, there is a strong competition from cheaper products from China.

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