09/10

Production

The turnover of the Austrian wood industry in the past fiscal year was 6.12 b. EUR, according to short-term statistics. This is a 16.4% decline in value in comparison with the previous year, due to the global economic crisis. The positive trend of previous years did not continue. But the atypical course of the industry is very interesting: while the 2nd and 3rd quarter of 2009 showed a significant decline for the industry overall, the precursors of this decline already became visible in the wood industry in the last quarter of 2008. The strongest decline was reported in the 1st quarter of 2009, resulting in -26.1%. The decline decreased over the following quarters, resulting in a -4.1% decline in the last quarter of 2009. This continuing recovery process can also be seen in other construction-related industries. However it is too early to say if this development is sustainable.

Companies

The wood industry consists of 1,547 active companies. 1,200 of these companies are sawmills. The wood industry is a very diverse economic sector and includes the sawmill industry, the construction elements industry, the furniture industry, the wood-based panel industry as well as the ski industry. The majority of these companies are small and medium-sized enterprises. Most of these companies are privately owned.

Employees

The wood industry is known to be a significant and dependable employer. 27,875 people have been working in this industry in 2009 (30,846 in 2008), including 738 trainees. The wood industry remains one of the biggest employers of all 17 industry sectors in Austria. It is one of the few industries where the number of employees remained steady over decades.

Export

The timber industry has a strong focus on export business. The export rate has already been at over 70% for several years. The main export products are sawn softwood, glue laminated timber, wooden materials (panels) and skis. The total volume in 2009 was 4.56 b. EUR (74% export rate, 16.4% decline in comparison to the previous year).

Imports

Timber-related imports also declined in 2009 (3.14 b. EUR, -7%). One of the most important trade partners for imports is the EU with its 87.2% market share in this sector.

Trade Balance

Exports are an important sector for the Austrian wood industry, which is one of the few branches with a continuously positive trade balance in the past years. Together with related branches of the value chain within the wood and forestry industry, they were able to report a foreign trade surplus which was roughly comparable to the surplus of the tourism industry. As in the previous year, an increase was not achieved due to the difficult global economic conditions. Exports still achieved a positive result (1.43 b. EUR), but this result still is a 33.2% decline in comparison to the previous year.

Construction Elements Industry

7.7% decline in production

The construction sector's turnover in 2009 was 2.3 b. EUR (-7.7%). The individual branches of the construction-related industry report a generally positive trend.

Windows: the most important branch achieved a positive result with an increased value of 428.9 m. EUR (+6.3%)

Prefabricated houses: 6.1% decline in production to 450 m. EUR

Doors: slight decline of 1.8% to 235.2 m. EUR

Wooden floors (parquet, plank flooring): plank flooring showed the most significant decline (-15.6%). Parquet production decline 7.2% to 193.74 m. EUR

Glued components: relatively stable level of production (485.21 m. EUR, -1.1%).

Export

Windows: increase of 0.9% in quantity and a 7.5% decrease in value to 66.04 m. EUR. Imports showed a similar development, decreasing 6.7% in quantity and increasing 3.3% in value to 24.8 m. EUR, resulting in a trade balance surplus of 41.25 m. EUR (-13%). The export rate of Austrian windows to the biggest export partner Germany was 45.2 (+22.2%). Italy was the second biggest export market (19.4%, -4.5%), followed by Switzerland (12.1%, -1.8%). Further export markets are Great Britain and France. The biggest importer is Germany with a 43.2% share and an impressive increase of 59.8%, followed by Hungary (31.7%, -12.1%) and Slovenia (10.5%, +59.5%). Notable changes come from Poland with a 87.3% decrease in imports and the Czech Republic with a 25% decrease in imports as well as the 295.7% increase from Bosnia.

Furniture Industry

The demand for furniture decreased all over the EU in 2009. Austria's decrease in production was -14.6%. Austria produced furniture with a total value of 2.32 b. EUR in 2009.

This is a 14.6% decrease in comparison to the previous year. The biggest share in production comes from "Other Furniture" (753 m. EUR) which includes "Sleeping, Living and Diningroom Furniture" (343 m. EUR), "Wooden Furniture for Bathrooms" (21 m. EUR) and "Garden Furniture" (3 m. EUR). The second biggest segment were "Seating Furniture and Components" with a total value of approx. 267 m. EUR. The "Office and Shop Furniture" sector achieved a total value of 422 m. EUR, with 248 m. EUR coming from the production of office furniture (metal furniture: 22 m. EUR, wooden furniture: 226 m. EUR). The total value of the shop furniture segment was 174 m. EUR. The kitchen furniture industry achieved a 254 m. EUR turnover last year. The mattress sector reported a 119 m. EUR turnover, with 21 m. EUR coming from bedsteads and 99 m. EUR from mattresses.

In 2008 exports decreased slightly by 2.8% (1.55 m. EUR). In 2009 the decrease was far more significant (-14.6%, 1.32 b. EUR), but this result has to be seen in context with the world economic crisis. All EU markets reported significant decreases, some of them with extremely high losses. Compared to these decreasing markets, the impact of the crisis on the Austrian furniture producers was rather moderate. The decline in exports in 2009 affects all industry sectors with the exception of the mattress industry. This sector reported an increase of approximately 77 m. EUR (+2.6%). The biggest losses were reported from the office furniture sector (-32.5%, 97 m. EUR), followed by seating furniture (-20%, 301 m. EUR) and shop furniture (-19.1%, 126 m. EUR). Kitchen furniture exports decreased by 8.7% compared to the previous year. Household furniture exports decreased by 11.4% (204 m. EUR).

Important Export Markets

EU 26: -16.8% (1 b. EUR): The top 3 export markets are Germany (-11.3 %, 524 m. EUR), Italy (-37.8%, 105 m. EUR) and Poland with its comparatively modest decrease by 0.9% (54 m. EUR).

The biggest decrease from the German market came from the office furniture sector (-37.1%). The biggest "overall decrease" came from Italy (office, seating and shop furniture decreased by approx. 60%, household furniture by 52.5%, kitchen furniture by 6.1%, only mattress exports increased by 10.8%)

EFTA region: this region remained relatively stable with an export increase by 1.4% (147 m. EUR). Switzerland, the most important trading partner outside the EU, showed an increase in exports by 2.8% (138 m. EUR).

Rest of Europe: this region showed export decreases by 11.1% (63 m. EUR). The most important markets in this region are Croatia (+8.1%, 28 m. EUR) and Russia (-17%, 22 m. EUR).

Furniture imports to Austria decreased by 6.7% in 2009

The import volume amounts to 1.63 b. EUR with a decrease by 6.7%. The imports from the EU 26 decreased by 7.5% (1.39 m. EUR). The three most important import countries are Germany (-3.8%, 837 m. EUR), Italy (-5.0%, 144 m. EUR) and Poland (+3.4%, 117 m. EUR). Imports from Switzerland decreased by 6.4% (40 m. EUR).

Rest of Europe: contrary to the trend, this region shows an increase by 6.7% (40 m. EUR), especially from Turkey which showed an increase by 2.9% (14 m. EUR)

Asia: the increasing imports from Asia continued in 2009, with a total value of 141 m. EUR (+10.8%). China remains the biggest importer and further strengthens its position with a significant increase by 10.9% (106 m. EUR).

Wood Panel Industry

Quantitative increase in the second of the year

The downwards trend which started in 2008 continued in 2009 due to the deteriorating global economic conditions also affected the wood panel industry. All production segments of the wood panel industry reported a severe decline. The market collapse in the furniture and construction component sector and a decline in sales in the timber trade had a massive impact on the panel factories.

The Austrian panel industry had to react quickly to this development. Several counter measures were launched, including capacity reductions, short-time work as well as extended maintenance and idle times

The second half of 2009 showed a slight quantitative increase and the counter measures took effect. Reflationary programs of individual EU-countries and a growing consumer demand were the main reasons for this sales increase for panel products in the construction component and furniture sector.

However, this quantitative increase was very low in comparison with previous years. The sustainability of this development is still unsure. Additionally, this sector had to accept a very unsatisfactory price development, which was further aggravated by substantial cost increases for raw materials, especially for timber.

Foreign trade balance

The current figures show a very pleasant foreign trade surplus. According to Statistik Austria, the surplus for chipboards, MDF and other fiberboards is at 600 m. EUR.

Solid-Wood Panels

Solid-wood panel exports declined slightly in 2009, in comparison to the previous year (-4.23%, total value of 161.8 m. EUR). Imports declined 5.37% (106 m. EUR), resulting in a 2.02% reduction of the foreign trade surplus.

With more than two thirds of all exports, the countries of the EU 26 are the most important markets in this segment. Exports to these countries declined to 28.87% (-5%).

The EU 26's marketshare in solid-wood panel imports is at 86% and showed a significant decline (-18.48%).

Sawmill Industry

Significant decline in production in 2009

The Austrian sawmill industry is a big and successful industry sector with approx. 1,200 companies and approx. 10,000 employees. 83% of the processed solid biomass wood is handled by the sawmill industry. Therefore this industry is the biggest processor of wood within the entire timber industry. Two thirds of its production is exported (Austria is the fifth biggest exporter of sawn woods in the world). As a result, the sawmill industry is an important factor for Austria's positive foreign trade balance. It mainly consists of small and medium-sized companies. The top eight companies produce 65% of the total output and the forty biggest companies produce 90%.

The sawn wood production declined

from 10.8 cubic meters to 8.5 cubic meters. This is a 22% decline in comparison to 2008. The production value of the Austrian sawmill industry declined 23%, from 2.0 b. EUR (2008) to 1.6 b. EUR (2009). The annual sawing capacity in 2009 was approx. 14.2 m. cubic meters of roundwood, 5.3 m. cubic meters of sawn roundwood were imported.

The basic data for the production statistics were compiled by Statistik Austria and provide a preliminary overview. Reporting is mandatory for all companies with more than 10 employees. All these companies are included in the short-term statistics. The projections are based on empirical statistical values as well as independent surveys of the respective trade association.

Significant drop in sawn wood exports

The sawn wood export (NSH) in 2009 was approx. 5.6 m. cubic meters. This is a 19.5% decline in comparison to 2008 (7 m. cubic meters). The export value was approx. 924 m. EUR (2008: approx. 1.2 b. EUR). Therefore the Austrian sawmill industry lost market share on the home market, in comparison to the Austrian decline in production.

The demand and obtainable prices were very unsatisfying throughout 2009. Approx. 60% of Austria's sawn wood exports were delivered to Italy – the traditional main export market. With a total export volume of 3.4 m. cubic meters, the Italian market showed a 17.2% decline (2008: 4.1 m. cubic meters).

Germany showed a decrease of 19% (432.274 cubic meters).

Sawn wood imports on the rise

Sawn wood imports increased 11% in 2009. The total import volume was 1.58 cubic meters, resulting in a 1% decline in value (258 m. EUR).

The imports from Germany increased approx. 10% to 817,990 cubic meters (2008: 745,395 cubic meters). Further import increases were reported from Romania (+83%), Finnland (+22%), Slovakia (+296%) and Slovenia (+29%).

Increase of sawn roundwood imports, despite declines in production

5.3 m. cubic meters of sawn roundwood were imported to Austria in 2009. This is slight increase of 1.1%, even though production was reduced by approx. 22%. Imports from Germany declined by 31% (2009: 1.7 m. cubic meters).

Ski Industry

No significant changes in the market

As in the previous season, the European key markets were quite stable in 2009/2010. New challenges arise from the growing ski rental sector and from the cautious behavior at retail. Three years ago, the Austrian producers were faced with a double-digit market decline. These new conditions in the market are reflected by their structures and production processes. The Austrian production sites adapted quickly to the new conditions and also maintained their stability with their production sites in Eastern Europe. Therefore their headquarters, research & development as well as their strategic centers in Austria remain stable.

Global market volume

The global market volume for Alpine skis remains at 3.1 m. skis. The cross-country ski market shows a slight increase in volume due to a successful winter season in Scandinavia and Russia. The market volume is at approx. 1.3 m. pairs of skis. The projections for the ski boot market are at 3.5 m. pairs.

Significant market share (export rate)

The market share of Austrian brands in the winter sport segments remains at impressive 50%. The export rate is over 80%, which is hardly ever achieved by any other Austrian industry. The projections for the future in this segment are very optimistic, due to the continuing, unbroken popularity of winter sports.

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