

American Hardwood Export Council Europe Market Report

November/December 2024



From overlooked to outstanding; Martino Gamper's new low-grade cherry desk.

MARKET UPDATE



U.S. HARDWOOD LUMBER EXPORTS TO EUROPE UP ON LAST YEAR THANKS TO THE UK

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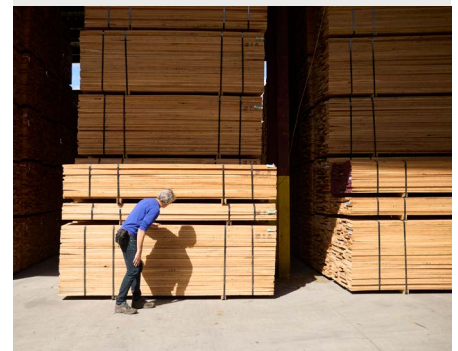
ACTIVITIES



DEVELOPING AND COMMUNICATING EUDR STRATEGY

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ACTIVITIES



THE MOST DETAILED EVER ASSESSMENT OF THE LEGALITY OF U.S. HARDWOODS IS NOW COMPLETE

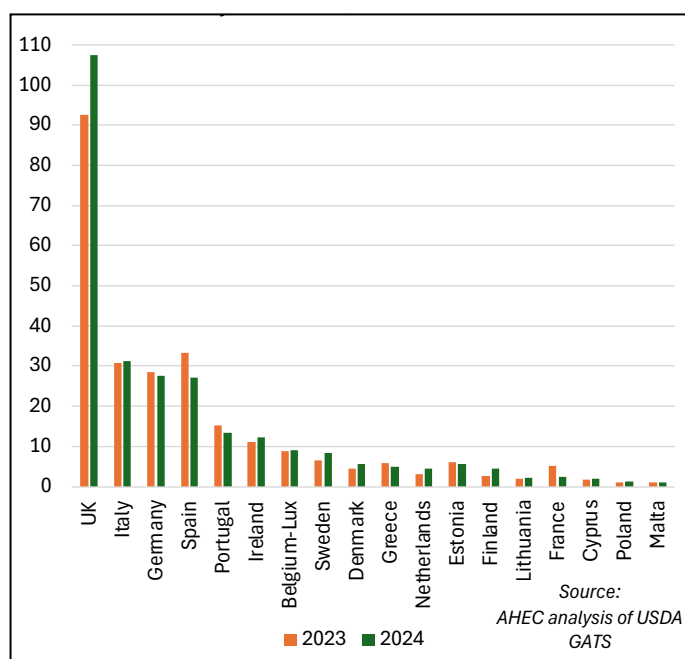
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MARKET UPDATE

U.S. hardwood lumber exports to Europe up on last year thanks to the UK

It's a mixed picture in terms of individual markets but overall exports of U.S. hardwood lumber to Europe (EU27+UK) are up in volume on last year after 10 months, by 4% to 271,410m³. Nearly 40% of this total was shipped to the UK, which has seen exports increase by 16% for this period, which equates to the same volume exported for the whole of 2023. The increase is all down to white oak which is up 46%, compared to the same period last year at 64,320m³, that is already 13,000m³ more white oak exported to the UK than in the whole of 2023.

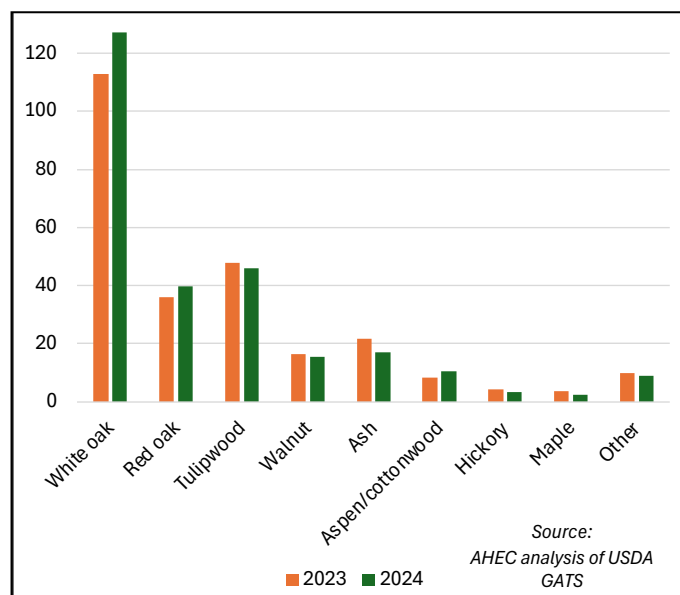
Across the rest of Europe, we are not seeing any growth in the larger markets of Spain, Italy and Germany, but there is growth in some of the smaller Northern European and Scandinavian countries such as Ireland, Netherlands, Sweden, Denmark and Finland.



U.S. hardwood lumber exports to the EU27+UK, by country, Jan to Oct, 1000 cubic meters.

In terms of species mix, it is no surprise that white oak easily dominates the landscape accounting for 47% of all shipments in the January to October period. Tulipwood is unchanged from last year, whereas red oak has seen an 11% increase so far this year.

It is encouraging to see that most of the European markets have seen some increase in red oak shipments. Italy, in particular, is becoming a valuable red oak market with a 37% increase this year and accounting for a quarter of all red oak shipments to the Europe for the period. Sadly, this is not the case for the largest market, UK, which has seen red oak shipments drop this year, although one leading importer AHEC spoke to recently confirmed they had bought more red oak this year and now have regular customers taking the species. The UK will remain a key focus for AHEC's red oak promotion.



U.S. hardwood lumber exports to the EU27+UK, by species, Jan to Oct, 1000 cubic meters.

Delay to EUDR to be officially confirmed before Christmas

Following negotiations on 3 December, the EU co-legislators (European Parliament, Council and Commission) agreed that application of the EUDR should be postponed until 30 December 2025 for large companies, and 30 June 2026 for SMEs (i.e. confirming the 12-month delay).

With firm resistance from several EU member states, the Parliament's proposal to introduce a "zero risk" country category for which no due diligence statements or geolocation data would be required was rejected by the European Council. Instead, it was agreed only that measures to simplify and reduce administrative burdens for countries demonstrating good sustainable forest management practices will be assessed at future reviews, the first scheduled for 30 June 2028 at the latest.



The Commission also undertook to make the online Information System and operational risk classification available at least six months before the new application date. An “emergency brake” clause was introduced to allow the regulation to be postponed again if the online platform is not fully operational or if the country risk classifications are not published at least six months before the date of entry into force. For this agreement to enter into force, the text must now be validated by the Parliament at its plenary session between 16-19 December, and by the Council which meets immediately afterwards on 19 December. It should then be published in the EU’s Official Journal before the end of the year.



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EC launches EUDR Information System

The European Commission made good on the first part of its commitment to deliver the systems needed to implement the law by announcing on 6 December the official launch of the EUDR Information System. The system is now available for submitting and managing due diligence statements. However, it is important to note that these will now cover only products to be made available on the EU market or exported after the entry into application of the EUDR on 30 December 2025. Also, that U.S. hardwood exporters with no EU (or Northern Ireland) operations do not need to interact directly with the system. Responsibility for preparing EUDR-conformant due diligence statements and submitting to the Information System lies with the EU Operator. The system is only accessible to organisations that have an Economic Operator Registration and Identification

(EORI) number provided by a Member State or UK(NI) authority.



AHEC Europe expects a rapid increase in requests from EU customers for data to support claims of EUDR-conformance from U.S. hardwood exporters over the coming months.

While the delay to EUDR application removes the immediate need for EU Operators to submit formal due diligence statements to the Information System, AHEC Europe does now expect a very rapid increase in requests from EU customers for data to support claims of EUDR-conformance from U.S. hardwood exporters over the coming months. Many EU importers will be refining their existing EUTR due diligence systems to ensure full conformance to the EUDR. They are also likely to take the opportunity now offered by the EC to familiarise themselves with the Information System by using a replica training system (called the “ACCEPTANCE Server”).

AHEC’s work to help satisfy this demand by preparing data demonstrating a negligible risk of illegal harvest and deforestation has been proceeding rapidly. Pilot testing of the web-based tool allowing U.S. hardwood exporters to rapidly deliver this data with each consignment or supply agreement, together with geolocation co-ordinates, to their customers in the EU and other export markets is now expected to start before the end of January 2025 (see activities below). A key part of this pilot testing will involve direct liaison with EU importers to ensure efficient transfer of the data they need to enter onto the Information System. For more details on the EUDR Information System visit: [Commission launches EUDR Information System as important step in preparation for application of law](#), and [The Information System of the Deforestation Regulation](#).



ACTIVITIES

Developing and communicating EUDR strategy

The process of developing and communicating a risk-based jurisdictional response to the EUDR has intensified over the last few months. Even though a one-year delay to the implementation of the law now seems inevitable, AHEC Europe have been pushing ahead with plans to deliver a risk-based mechanism for U.S. hardwoods that demonstrates legality and negligible risk of deforestation at county level throughout the 33 hardwood producing States in the USA. As part of this process a series of workshops have taken place at BWA, who are building the interface platform and deforestation analysis tools. It is already apparent that, even with good quality satellite data, anomalies and incorrect identification can occur and there can be inconsistencies between yearly data sets.



As it will be impossible to accurately identify all harvest sites and individual forest plots, we believe the county approach is the only way to achieve compliance to EUDR for the U.S. hardwood sector.

However, with manual checks and cross-referencing data sources, the team believe algorithms can be built that will clean up many of these issues. But it will take time, possibly years, to achieve the level of accuracy needed to deliver an effective transparent global standard. Given these challenges, it is clear that it would be impossible to accurately identify all harvest sites and individual forest plots, meaning that the county approach is, we believe, the only way to achieve compliance to EUDR for the U.S. hardwood sector. Phase one of the SHC web portal is nearing completion, and the interface should be ready for

trial testing by the end of January 2025, with a view to a wider roll out by June 2025.

Communication opportunities

AHEC continue to promote the Sustainable Hardwood Coalition (SHC) and communicate to European trade audiences the strategy being adopted. In November, AHEC's European Director and Environmental Policy Director gave an SHC/ EUDR presentation to the London Hardwood Club with many of the UK's leading hardwood importers present. The UK is watching EUDR developments carefully as there are close links between trade in the UK and Ireland (The whole of Ireland will be subject to EUDR) and there is intertrade of hardwood products with EU countries.

AHEC's Rupert Oliver pre-recorded a presentation on AHEC's EUDR strategy to the UNECE Timber Committee ([view presentation here](#)). Then, Executive Director Mike Snow was invited to take part in the **International Hardwood Conference** in Vienna run by a coalition of European trade associations.



Overall, feedback to AHEC's 'EUDR solution' was positive, with some concerns over the county level approach.

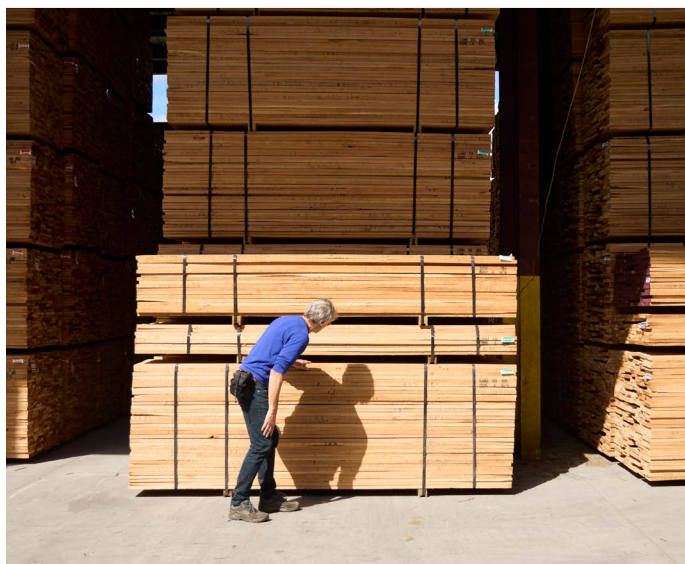
Overall, the response and feedback to AHEC's strategy to develop a possible solution for U.S. hardwood, which would enable U.S. hardwood suppliers to make a 'global legality and deforestation-free claim', was very positive. However, there was a degree of pessimism that the county level approach to geolocation would not be enough to satisfy the requirements of the EUDR as it currently stands.



As well as the challenge of EUDR, EU industry associations described difficult trading conditions and increased concern about slowing housing markets, high interest rates and sluggish demand across the industry. At the same time, concerns over log exports—particularly to China—were another example of common concerns for the hardwood sectors on both sides of the Atlantic, as was the continuing loss of market share to competing non-wood materials, especially in the flooring and furniture sectors.

The most detailed ever assessment of the legality of U.S. hardwoods is now complete

After a year of work, SHC’s consultants have completed the State legality risk assessments. The assessments have used a framework developed by the Sustainable Hardwood Coalition (SHC), which was designed to consider all aspects of legal compliance within the hardwood producing industry in the USA. Drawing on a wide range of sources, the framework was designed to comprehensively assess the level of risk of illegal activities being present within supply chains, from point of harvest to point of export from the USA. The States selected for the assessment represent almost 99% of the volume of hardwoods harvested annually across the whole of the United States.



It is SHC’s belief that these risk assessments can be considered verifiable information that American hardwoods have been produced in accordance with the relevant legislation.

The United States has well-developed public policies, a multi-faceted governance structure with laws, regulations, enforcement, monitoring, public

reporting, an accessible legal system plus an active and vocal civil society — all combining to ensure there is a robust system of forest governance. It is SHC’s belief that these risk assessments, on a State by State basis, can be considered adequately conclusive and verifiable information that American hardwoods have been produced in accordance with the relevant legislation of the country of production, indicating that there is negligible risk of non-compliance with relevant legislation.

Full reports for each of the 33 States plus summaries will be available from the SHC website in January 2025.

NEWS

From overlooked to outstanding: Martino Gamper’s new low-grade cherry desk



A desk made from low-grade American cherry showcases the wood’s natural characteristics with a unique, collaged surface of smaller timber sections.

AHEC’s collaboration with renowned designer Martino Gamper began over a decade ago with the *Infinity Bench* for the London Design Festival, which promoted thermally modified American hardwood species and has since received significant press attention. Gamper also contributed to AHEC’s *Legacy* project in 2019 with his *Musical Shelf*, crafted from red oak.

His latest piece, a desk made from low-grade American cherry, showcases the wood’s natural



characteristics with a unique, collaged surface of smaller timber sections. Celebrating natural knots and colour variations often excluded from high-end furniture, the desk exemplifies Gamper's commitment to the material's full potential. He shared his connection with cherry:

"I have fond memories of cherry in my apprenticeship times in the 80s. We used it quite a lot, and it was one of the first woods that I really got to know. It's amazing as before it's oiled or finished, it's quite pale, and as soon as you put a coat of oil on it, it really comes to life, radiating warmth and a beautiful orangey pink colour."

Gamper's new cherry desk was featured in *Before, After & Beyond*, the first comprehensive retrospective of his career, displayed in London in October. AHEC plan to continue this narrative around lower grades with Martino and other designers during 2025.

Communion table wins bespoke category at Wood Awards 2024

The *Communion* table by Giles Tetley Nartey, crafted from American maple, has won the Bespoke category at the UK Wood Awards 2024. The awards ceremony took place on November 20th at the Carpenters' Company in London.



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Commissioned by AHEC for Milan Design Week earlier this year, the table was later selected by

curators at the Victoria and Albert Museum in London, where it was displayed for a month. Combining CNC manufacturing with skilled hand-finishing techniques, the piece showcases intricate textures and innovative craftsmanship, emphasizing the versatility of American maple.



The Wood Awards ceremony took place in November at the Carpenters' Company in London.

The Wood Awards 2024 also celebrated other projects featuring American hardwoods, including the [National Portrait Gallery Bench](#), crafted from American walnut, which received a Highly Commended recognition in the Furniture category. AHEC, a founding partner and major supporter of the Wood Awards, continues to promote the innovative use of American hardwoods in design and architecture, engaging the awards' growing audience of architects and designers. For more on the winners, visit woodawards.com.



EXCHANGE RATES

	31/08/24	30/09/24	31/10/24	30/11/24
1 EURO = \$	1.11	1.12	1.08	1.06
\$1 = EURO	0.90	0.90	0.92	0.95
£1 Sterling = \$	1.32	1.34	1.30	1.27
\$1 = Danish DKK	6.74	6.68	6.88	7.06
\$1 = Swedish SEK	10.25	10.09	10.66	10.90
\$1 = Czech CZK	22.62	22.49	23.40	23.90
\$1 = Hungarian HUF	354.66	355.22	375.17	390.51
\$1 = Polish Zloty	3.87	3.83	4.01	4.07
\$1 = Russian Rouble	91.08	93.82	97.16	107.18
\$1 = Turkish Lira	34.07	34.14	34.27	34.68

