

# American Hardwood Export Council European market report

April 2020



## MARKET UPDATE



**RED OAK EXPORTS INCREASE IN FIRST QUARTER OF 2020**

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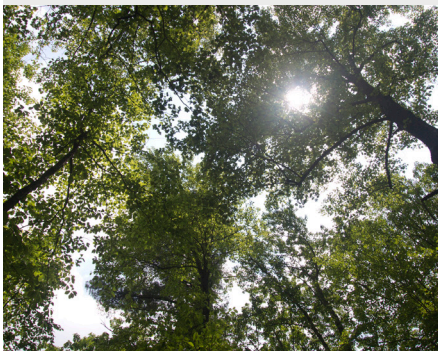
## ACTIVITIES



**AHEC LAUNCHES NEW PROJECT, CONNECTED**

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**NEW AHEC REPORT DEMONSTRATES THE SUSTAINABILITY OF U.S. HARDWOODS**

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# MARKET UPDATE

## Red oak lumber exports to EU increase again in first quarter of 2020

Overall shipments of hardwood lumber from the U.S. to the EU (27 + UK) for the first three months of this year were down slightly, a drop of 2%, compared to the same period last year. Just under half the volume was white oak with exports down by 6% to 40,690m<sup>3</sup>. Tulipwood saw a very slight increase (2%) to 17,521m<sup>3</sup>. The next largest volume was red oak at just under 7,950m<sup>3</sup> a rise of 20% over last year, ahead of ash at 6,678 m<sup>3</sup> (up from last year by 17%). There is still very small trade activity in maple and cherry, which is why they will feature strongly in AHEC's new promotional activity plans.

In terms of markets, exports to the UK held up in the first three months at around 28,000m<sup>3</sup> (a third of total exports for the period). Germany was up significantly by nearly 20% to 11,500m<sup>3</sup> as a result of a small increase in white oak (5%) and a big increase in tulipwood (75%). Italy was down 7% to 10,400m<sup>3</sup> and Spain down 2% to 8,200m<sup>3</sup> and exports to Portugal and Estonia were both down by 23% compared to last year at 3,500m<sup>3</sup> and 2,900 m<sup>3</sup> respectively. Sweden and Ireland remained unchanged at around 3,500m<sup>3</sup>.



AHEC to promote maple and cherry in new projects to boost exports

We are likely to see a dramatic fall-off in exports in the second quarter of the year given that so many hardwood operators around Europe have been closed or seen activities greatly reduced because of the of 'lockdown' policies to combat the Covid-19 pandemic. We know there will be huge economic impact for Europe in terms of GDP growth, employment and productivity that will evolve throughout the year and this will impact U.S. hardwood sales to Europe in the short term. However, it is too early to predict how that may affect activity in different markets. But, given the importance of the UK for U.S. hardwood, this will be one to watch given that it is now the worst affected country in Europe from Covid-19 and still in 'lockdown'.

## U.S. hardwood veneer exports to EU fall in 2019 but bounce back in 1st Qtr 2020

Hardwood veneer exports from the U.S. to the EU (27 + UK) fell in value by 17% in 2019 to \$58.5 million compared to the previous year, continuing a downward trend. In fact, it was the sharpest drop in the last 4 years. Veneer consumption in Europe has been impacted by imports of hardwood veneered panels, doors and furniture especially from Asia. U.S. exports to Spain and Portugal, both of which have significant veneered panel industries, fell in value by 22 and 23% respectively. Europe's biggest market for U.S. hardwood veneer, Germany, which is also a

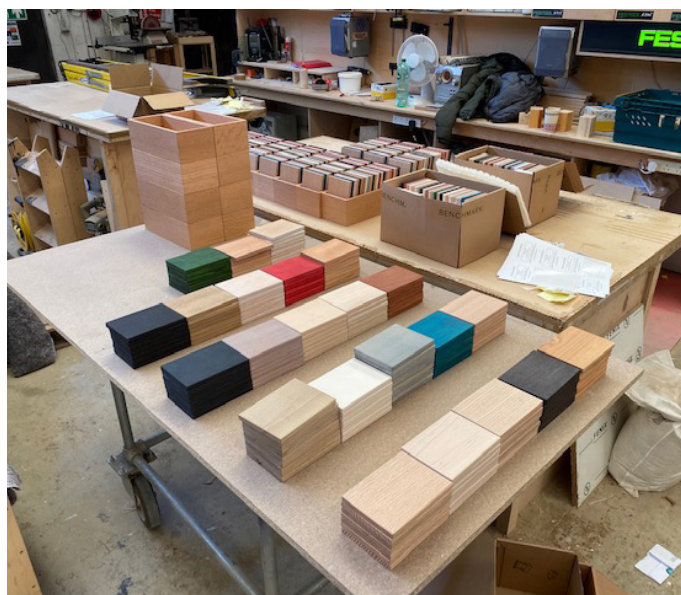


Red oak exports to EU increase in first quarter of 2020



distribution hub for other EU markets did maintain export levels, up by 7% to \$15.9 million. Italy also saw an increase, up 15% to \$8.4 million. Exports to most of the smaller EU markets also fell in the same period compared to the year before.

However, figures just released for the first quarter of 2020 show that U.S. hardwood veneer exports did recover at the beginning of the year up in value by 25% to \$18.3 million, compared to the same period last year. After last year's poor performance, shipments to Spain in first three months shot up by 72% to \$5.3 million and exports more than doubled to Portugal to \$2 million, whereas Italy was down 28% to \$1.6 million. With most of Europe in some form of social and economic lockdown by the beginning of April exports for the second quarter are likely to be down significantly.



Samples of red oak, maple and cherry being prepared at Benchmark Furniture for AHEC's latest project, *Connected*



Veneer exports back up again after fall in 2019

## ACTIVITIES

### Creating U.S. hardwood connections

“Creativity,” said Steve Jobs, “is connecting things.” The latest design project from AHEC’s European team will tap into that ability to innovate through connecting experiences of creative people across Europe. More than that, it will also connect those people themselves, some of the continent’s leading product designers, tasking them not only

to come up with pieces in U.S. hardwood that are distinctly their own, innovative and unique, but that will ultimately all link together in one creative whole. The objective is to highlight the importance of design in developing the international timber sector and, even more at this testing time, the interdependence of timber suppliers, fabricators and designers and the imperative of working together. Above all, it is also to underline our need to make the absolute most of the ultimate in sustainable raw materials available to us in the face of mounting global environmental challenges.

AHEC has of course worked with leading creatives before, architects, designers and makers, to both promote and explore the manufacturing and construction capabilities of different American hardwood species. These have resulted in innovative showcase products and structures that have featured at international events from London, Warsaw and Madrid, to Venice and Milan, garnering multi-media headlines worldwide in the process.

Plans for more such design platforms this year were, of course, put on hold by the Covid-19 pandemic. Designers are in lockdown. Design festivals and trade shows are cancelled or postponed wholesale. In its mission to inspire and inform the market in the use of U.S. hardwood we have had to get even more creative. So, what we



came up with is *Connected*; a project that will tap into each designer's individual creativity, but also bring them together to work towards a common goal. We have approached eight designers in eight different countries and given them a brief to design a chair and coordinating table. Where the added connection comes in is that all the tables have to be able to be linked and work together in various configurations as a single installation.

The brief is focused on the three underused species of red oak, maple and cherry. AHEC developed the initial concept with project partner Benchmark Furniture in collaboration, for the first time, with the London Design Museum, who will stage the installation of the connected tables, with a series of design events in the fall.



*Connected* will feature the three underused species, cherry, maple and red oak

There are a number of unique aspects to this project; it is the most international line-up we have ever had, all the designers will develop their prototypes only through video link with the fabricator, they will record their experiences using smart phones in a series of video diaries, increasing the opportunity for social media. A dedicated and branded online platform will be developed and the final 'documentary' style film of the project will be premiered at the Design Museum and will be put together in a way that reflects the current challenges of 'lockdown' and restrictions in social mobility.

## Webinars provide an exciting new way to reach target audiences

Webinars have been around a while but suddenly they have become an essential promotional tool. In the last two weeks we have launched a series of webinars for architects, some for individual practices and others for larger groups working with media partners. Compared to traditional seminars the cost is small and they are relatively quick and easy to deliver.

The initial response has been very encouraging and certainly helped by the fact that many designers and architects are still working from home and accessing more information on-line. AHEC delivered two technical seminars on the same day in April, one to architects in Poland given by technical consultant Neil Summers, and another for Spanish architects delivered by PR consultant Carlos Kasner. Reaching over 300 architects in two countries on the same day would not have seemed possible a few months ago. We also noticed that participants were prepared to ask more questions and still willing to fill in an online survey at the end. Because of the Covid-19 lockdowns there has been a much more positive attitude towards webinars in general, so we are hoping they can become part of the "new normal" and we are planning many more events in the coming months.



AHEC is running a series of webinars for architects and designers



## NEWS ROUND-UP

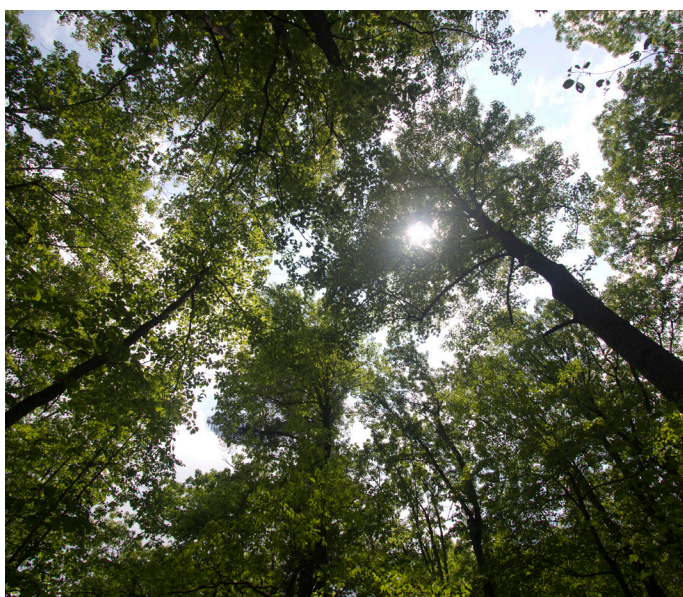
### Demonstrating sustainability for U.S. hardwoods

AHEC Europe have worked with environmental consultant Rupert Oliver to produce a detailed statement about demonstrating the legality and sustainability of American hardwoods if CofC certified supplies are not available or difficult to source. While we have lots of anecdotal evidence and feedback that generally markets in Europe accept that American hardwoods are sustainable and low risk in terms of legality, there is still a demand for certification.

Typically, public procurement and retail organisations servicing consumers directly, continue to require traceability through the supply chain to a certified forest management unit, to demonstrate that their timber products derive from well managed forests. In reality, some of them realise that this blanket approach limits their ability to source and trade in U.S. hardwoods, so are looking at alternate ways to satisfy their procurement policies while reassuring their customer base.

One example is leading UK retailer John Lewis who approached AHEC with exactly this dilemma. After detailed discussion with them and some

of their furniture suppliers, we collated our thinking on how we can prove U.S. hardwoods are sustainable without certification and the result is a position statement *Demonstrating the Sustainability of U.S. Hardwood Products* (PDF attached). Not only does it lay out clearly the data sources used but also how they have been verified. The initial reaction has been very positive, and we are now going to widely circulate this statement in European markets as a tool to help importers, traders, manufacturers, retailers and specifiers satisfy their sustainable procurement policies. Of course, we recognise that this statement will still not convince all buyers, but we believe it will continue to help strengthen the argument that there are alternate approaches to certification.



AHEC's report *Demonstrating the Sustainability of U.S. Hardwood Products* showcases how American hardwoods are sustainable without certification



# PR HIGHLIGHTS

**sztuka architektury** Strona główna Realizacje News Opinie Produk

**Weź udział w internetowym szkoleniu dla architektów!**

UWAGA CERTYFIKATY DLA UCZESTNIKÓW

**Zalety wykorzystania amerykańskich gatunków drewna w architekturze**  
(webinarium w języku angielskim)



termin: **30.04.2020**  
godzina: **11:00**  
prowadzący: **Neil Summers**

**AMERICAN HARDWOOD EXPORT COUNCIL**

AHEC Webinar  
American hardwood  
Sztuka architektury | Poland

20,000 circulation


**Nuova acustica per il Susie Sainsbury Theatre**  
di [Emidio Frattaroli](#), pubblicata il 03 Aprile 2020, alle 17:40 nel canale [AUDIO](#)

strutturazione della sala principale della Royal Academy of Music di Londra, il team di acustica di [Ritchie Architectsh](#) hanno preferito legno di ciliegio americano\*



Royal Academy of Music  
American cherry  
AV Magazine | Italy


220,000 circulation



**Legacy**  
American red oak  
London Design Festival Instagram | UK

292,000 followers

**Legacy Project - Ausstellung des American Hardwood Export Council**



Legacy  
American red oak  
IMM Cologne | Germany.

33,300 circulation



# EXCHANGE RATES

	31/01/20	29/02/20	31/03/20	30/04/20
1 EURO = \$	1.11	1.10	1.10	1.09
\$1 = EURO	0.90	0.91	0.91	0.92
£1 Sterling = \$	1.31	1.28	1.24	1.25
\$1 = Danish DKr	6.76	6.77	6.79	6.84
\$1 = Swedish SKr	9.64	9.59	10.0	9.8
\$1 = Czech Kr	22.82	23.04	24.83	23.15
\$1 = Hungarian Forint	304.9	306.3	326.7	323.7
\$1 = Polish Zloty	3.89	3.91	4.14	4.17
\$1 = Russian Rouble	63.52	66.73	78.70	73.56
\$1 = Turkish Lira	5.99	6.23	6.58	6.97

