Bundesverband Holzpackmittel · Paletten · Exportverpackung e.V.

Information for HPE members and their customers

Situation

Information for the national and export-oriented businesses

Wood market situation in Germany and effects on the wood packaging industry

The current situation on the timber market is unprecedented. This applies as well to the sawn timber market as to the market for wood-based materials. The situation is more than tight across all materials, product ranges and product groups. This affects the three essential areas for maintaining production: Availability, Delivery Time, Price.

In addition to the explosive increase in prices for wood and wood-based materials since summer 2020, the prices for steel, foils and fasteners as well as for container and forwarding services are also developing significantly upwards. This results in drastically increased pre-financing and liquidity requirements for wood packaging manufacturers. Especially with short-term orders, it is hardly possible to procure the required material immediately, but if so, then only with further significant price surcharges.

Current procurement problems continue to lead to great expense in purchasing, sales and administration. Long delivery times for certain assortments, if they are available at all, reinforce these effects and massively restrict the ability of wood packaging companies to plan thoroughly. Neither delivery times, nor quantities, nor prices are reliably stated by suppliers. Some companies have been waiting since January for long-promised deliveries. Due to the uncertainties, some companies are placing additional orders, which increases the price effects.

Simultaneously, economy is speeding up again and the construction sector and the furniture industry need a lot of wood and wood-based materials. Despite increased sawmill production, quantities are subject to quotas and some assortments are not available or are not even sawn. In addition, considerable quantities of sawn timber are exported. In the USA in particular, significantly better prices are still being paid than in Germany. Eastern Europe, as a former supplier region, has turned to the Chinese market. German roundwood is also delivered there by rail or ship and thus lacks German sawmills. The Baltic States and Scandinavia are also increasingly supplying sawn timber to the USA. The same applies to European wood-based panel production. Due to the Corona pandemic, much more sawn timber than common has been consumed in the do-it-yourself sector.

This summer, many sawmills will close for a fortnight for overhauling. Due to the Forest Damage Compensation Act, fresh wood felling is limited until the end of September. An extension is currently being discussed. This will further restrict the availability of roundwood and sawnwood while demand continues to rise. The effects will probably be felt at least until next spring.

Customers of the wood packaging industry have started to support their wood packaging suppliers by making advance payments, reducing payment terms and specifying the quantities and delivery times they really need. Many have realised that the current challenges can only be overcome by working together. Because at the moment, the alternative to pallets is no pallets - and that also applies to cable drums and export packaging.

HPE Wood Price Index