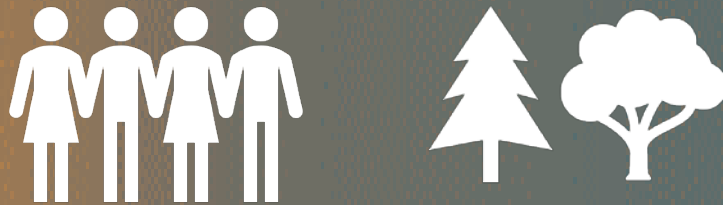


Contribution of the forest sector to innovation, growth and Jobs

Timber prices are sufficient to create more forest?.



Guillermo Hernanz

Brussels, 25th April 2019

garnica

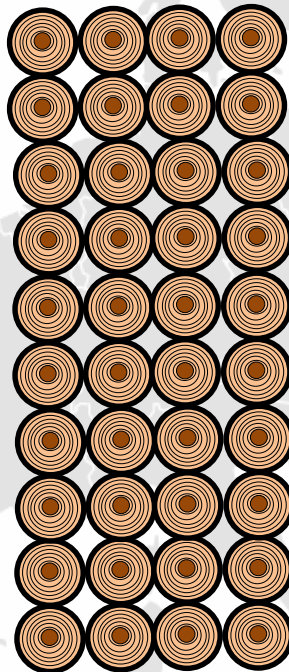
Challenge the ordinary

Forest-based industries in the EU:

**3,5 Million
workers**



**536 Million m3 of
wood harvested
annually**



**More than 420.000
companies**



Supporting Rural Communities

Shrinking rural areas in parts of Europe, particularly serious situation in some Spanish regions such as most of Castille & Leon

The Washington Post
Democracy Dies in Darkness

Europe
Thousands march in Spain to demand more help for rural areas

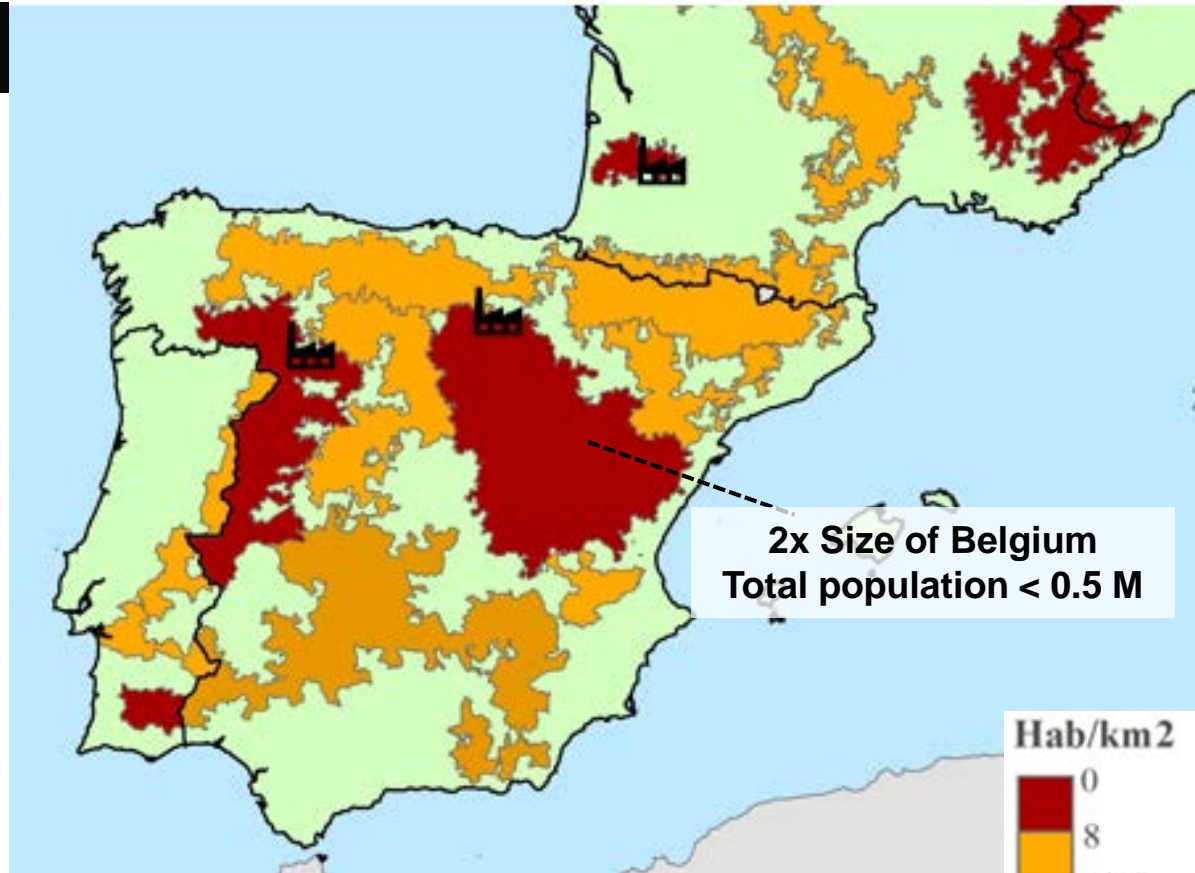


Spanish citizens from rural areas rally in Madrid, Spain, Sunday, March 31, 2019. Thousands of Spaniards are marching in Madrid under the slogan "The Revolt of the Emptied Spain" to demand that the government take steps to curb the depopulation of rural areas. (Bernat Armangué/Associated Press)

By Associated Press
March 31

MADRID — Thousands of Spaniards gathered in Madrid on Sunday to demand that the government take steps to curb the depopulation of rural areas.

Sunday's march under the slogan "The Revolt of the Emptied Spain" was organized by grassroots groups from rural areas in the southern European Union nation.



Garnica's factories



In 2018: significant increases in quality
saw log prices, up by more than 10%.

WHY?



Consumption increase

- * Economic growth
- * Construction increase
- * Building with Wood
- * Biomass needs

Supply

- Decreasing area of **forest plantations** in parts of the EU. Economically and environmentally they can be a better choice than certain crops. However, sometimes, they are **penalized**. This is the case of **poplar plantations in the Ebro basin, Spain, and their prosecution by the Ebro Hydrographic Confederation**
- **Major storms** as well as **pest and diseases** have severely impacted European forests in the last decade.
- Increasing **limitations to sustainable forest management** in certain areas devoted to conservation





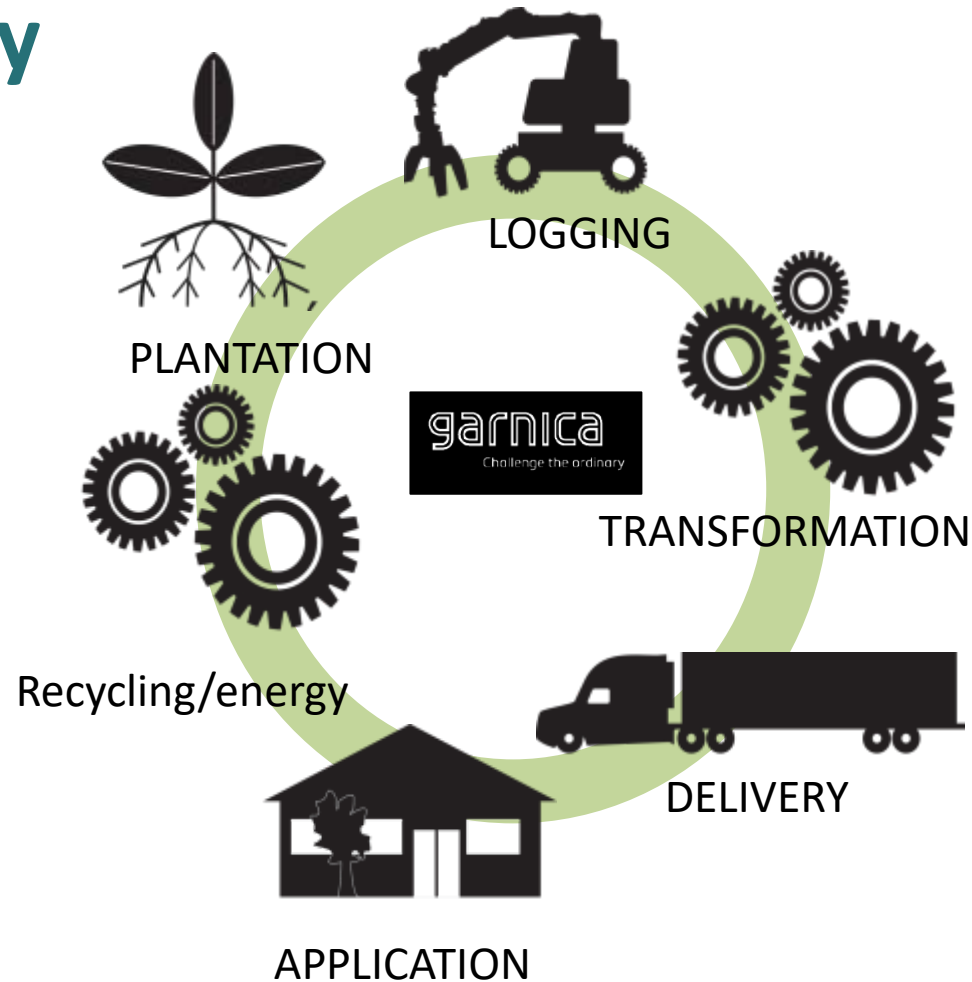
Will this trend
continue in the
future?

Consumption trends



More circular Economy

More building with
Wood & energy
(biomass)



Forests in a changing climate

Population: 7500 M in 2019, 9000 M in 2040

Increasing timber consumption per capita

More CO₂ stored in forest and forest products



Timber offer Trend/Prices: decreasing or stable

Less forest plantations unless we do something...

Forest mobilization increase?

More disturbances, pest and diseases due to
climate change

Politicians: will they have interest in long term
forestry policies? Forestry will give no votes?

Price increase much inferior to inflation in the past
will continue the tendency?

What to do?



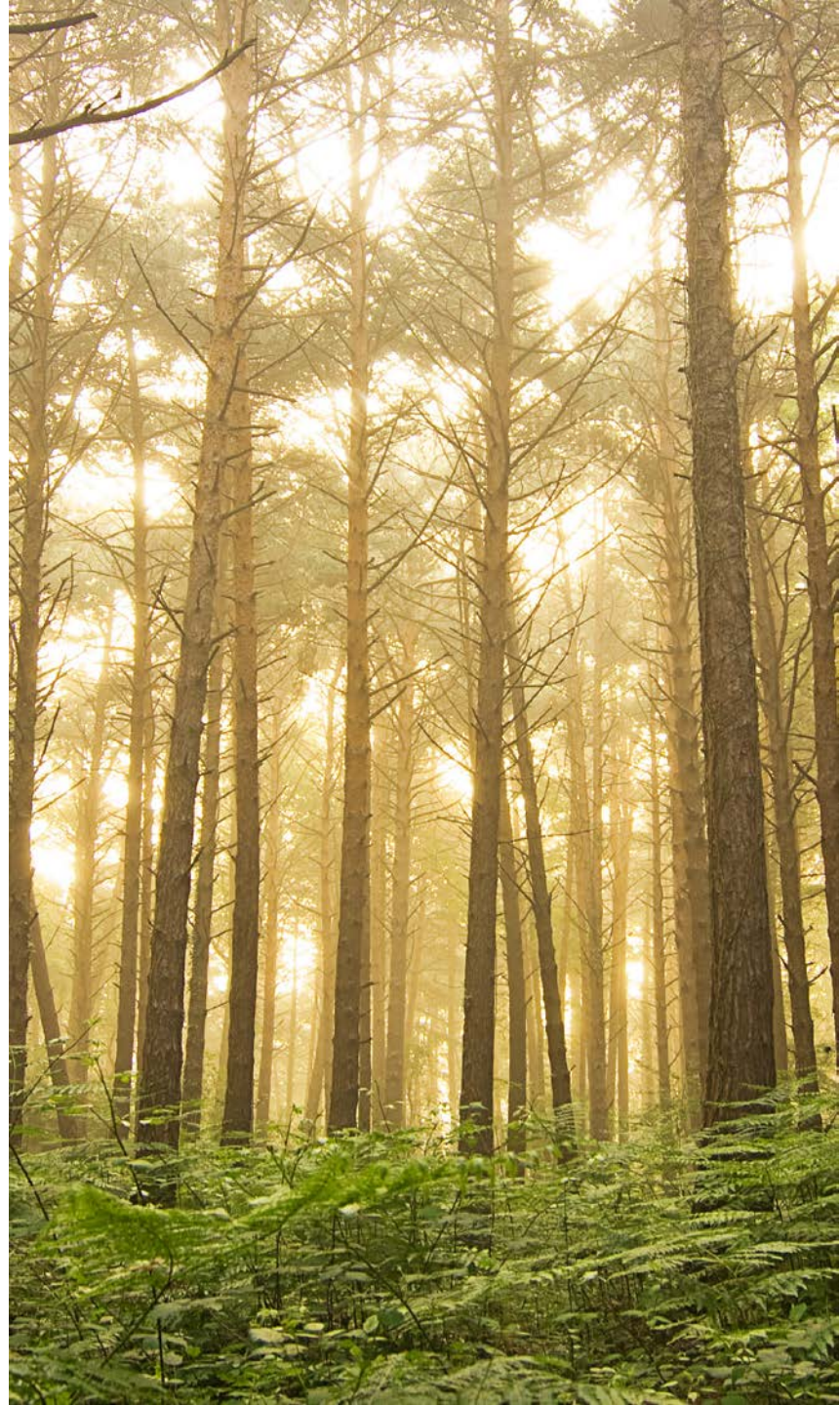
We must adapt to climate change: The choice of species (native or foreign must be made carefully). Focus on diversity, adaptability, resilience, fast growth and demand

Forest-Based Bioeconomy:

Increase mobilization of forest resources, and to encourage the use of wood against other

+ forest + forest products + CO2 capture

We should believe that timber



R+D in the Forest Industry:

New and innovative forestry and added-value products

- Improved properties of forest products
- Develop wood products for decoration
- Light products: light is efficient.
- Building with wood: industrialized timber buildings, and solutions.
- More recycling

G Brick[®]

by Garnica



durable

TO DO in Forestry, could be:

- EU policy support: more plantations.
- Agroforestry: PAC financial support
- Focus on wood quality and encourage use of long-lasting wood products
- Forest resources mobilization
- Species diversity
- Encourage forest actors to plant more

**Thank you very much for your
attention**

garnica

Challenge the ordinary