

# WOOD BIOMASS MARKET OVERVIEW

PowerON  
Stockholm

2023





# **WOOD WASTE SECTOR INFLUENCERS**

## **SUPPLY AND DEMAND**

## **MARKET DIRECTION**

# Construction remains slow across Europe

- Deceleration of construction activity across Europe in 2022 and 2023
- High interest rates, increased costs and growing real estate uncertainty
- Residential construction is expected to experience a drop between 2023 and 2025



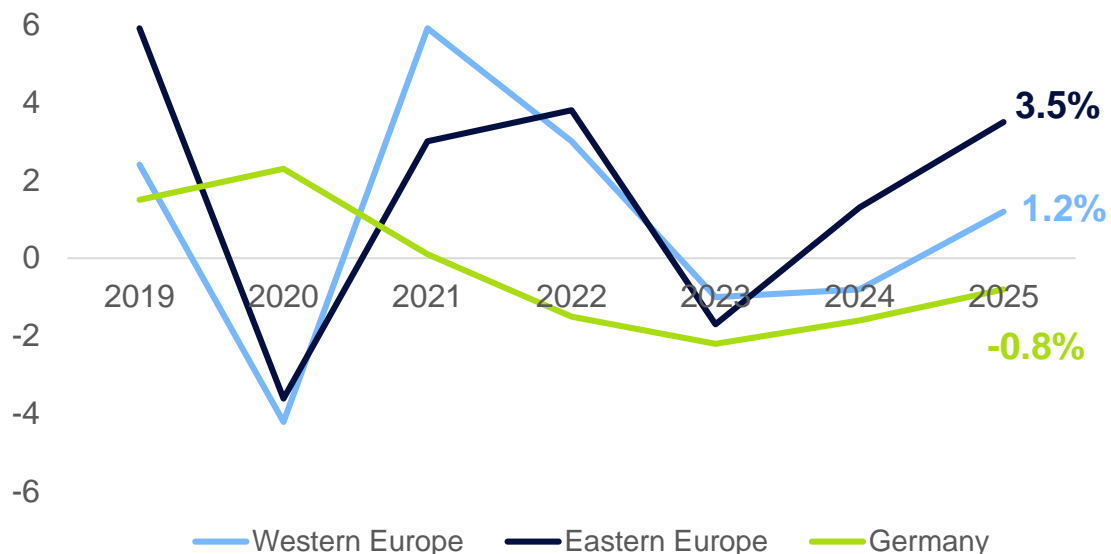
**-32%**



**-39%**

## Construction activity in the Euroconstruct Area

Change vs. previous year in %, in 2023 prices



Source: Euroconstruct

# Wood waste market does not exist in isolation

## INDUSTRIES AFFECTING WOOD WASTE MARKET



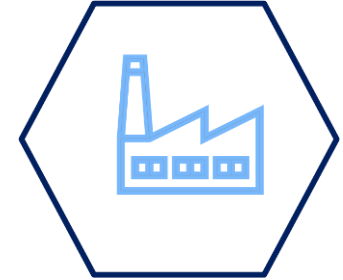
### FORESTRY

DROUGHT, PLAGUE AND FIRE  
A TRAIL OF DAMAGED TREES  
AND FORESTS  
IMPACT ON ALL WOOD PRICES



### WOOD WASTE

CONSTRUCTION ACTIVITY SLOW  
CAUTIOUS CONSUMPTION  
DEMAND FROM BIOMASS ENERGY  
IS SOFTENING



### ENERGY FROM WASTE




DROP IN C&I WASTE ARISING  
DECLINING FEES FOR MUNICIPAL  
WASTE  
INCREASE IN OPERATING COSTS

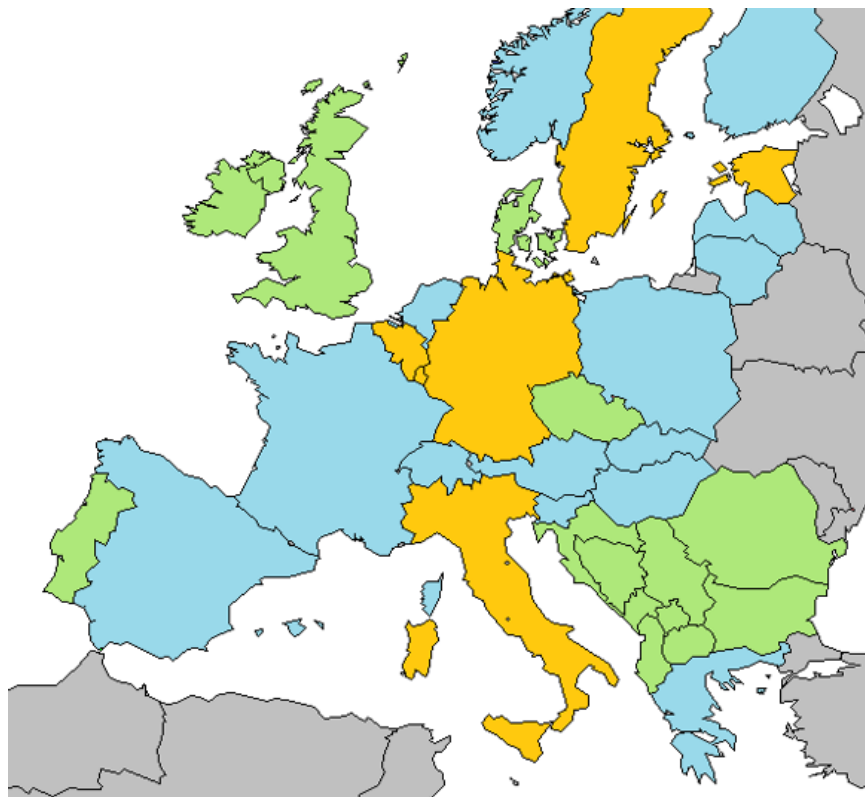
# There are national and local differences in the market balance

Wood waste demand is driven by:

- Wood based panel sector in Belgium, Luxembourg and Italy
- Biomass energy in Germany, Sweden and Estonia

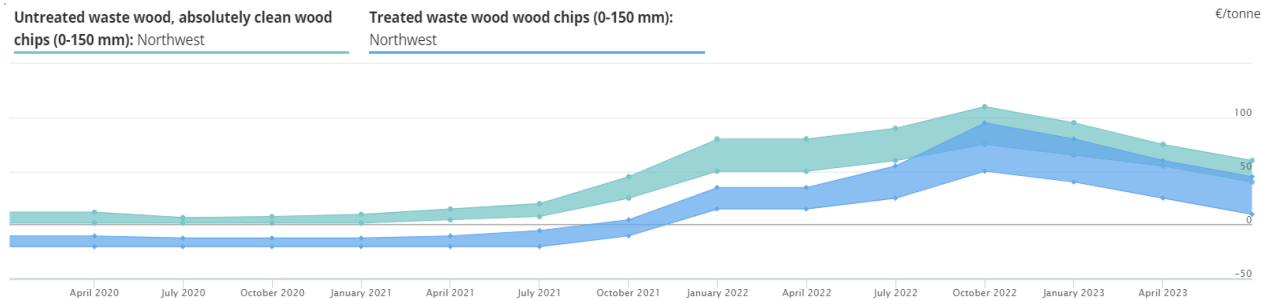
## Local demand vs. collection

-  Demand exceeds supply
-  Balanced market
-  Local demand below collections

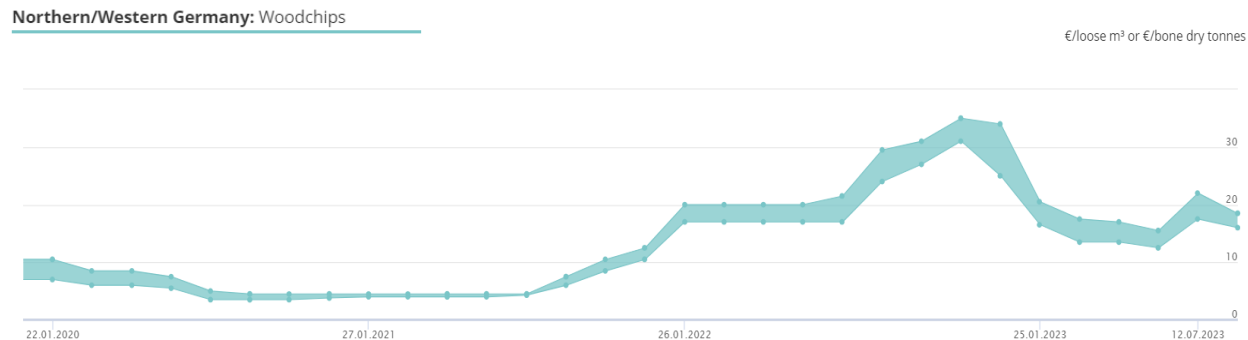


# Falling electricity prices are behind the drop in wood prices

## WOOD WASTE



## WOODCHIPS



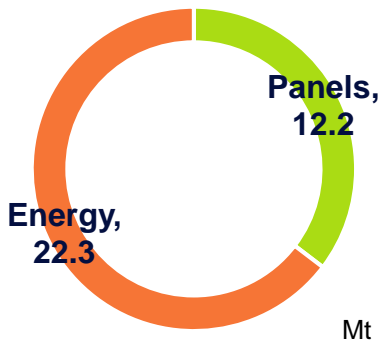
Source: EUWID

# Demand growth remains strong in Europe

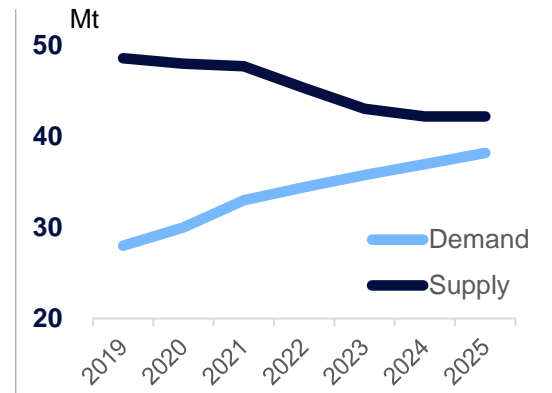
## SNAPSHOT



**DEMAND GROWING BY  
C. 5%/A**



**ENERGY GENERATION IS  
THE MAIN OUTLET**

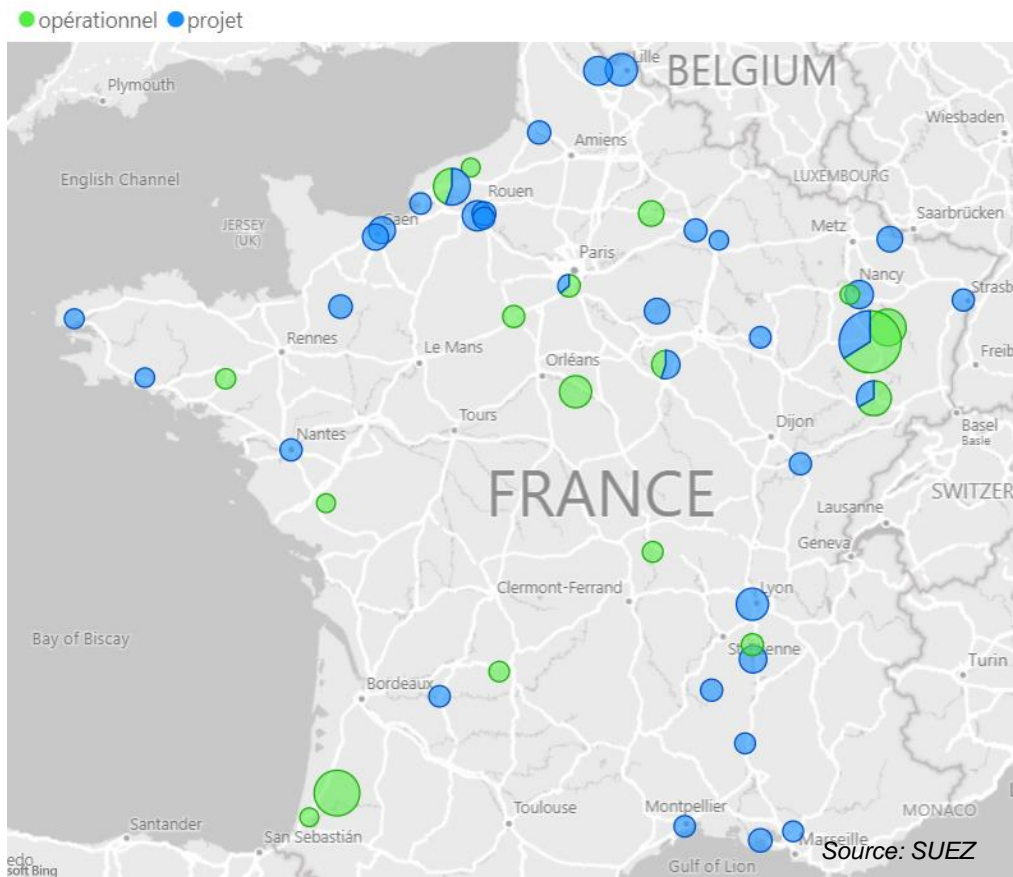


**THE GAP BETWEEN  
SUPPLY AND DEMAND  
KEEPS SHRINKING**

# Demand is growing

Demand pattern in France will change

- Increasing domestic demand will lead to a drop in exports
- New developments will create an additional 1 Mt of domestic demand





# Short-term uncertainty will challenge bioenergy markets



## Regulations

- Biomass energy
- Recycling targets
- Processing regulations



## Recycling

- Material recycling
- Infrastructure



## Taxes

- ETS
- Incineration tax



## Economy

- Inflation
- Interest rates
- Business activity

## **CONTACT**

**Lauma Kazuša**  
SUEZ Trading Europe  
[lauma.kazusa@suez.com](mailto:lauma.kazusa@suez.com)

[suez.com](https://www.suez.com)

