













Brussels, 17 June 2020

JOINT STATEMENT: CALL FOR COMPLIANCE WITH THE SINGLE MARKET RULES

Representatives of the European Forestry Value chain acknowledge the Austrian legislator decision to amend the current Austrian Forest Act introducing the following provision: "If in times of a threatening mass propagation of forest pests the sustainable forest management of a certain region is endangered, the Federal Minister for Agriculture, Regions and Tourism may by decree provide for more detailed orders on the obligation of wood-processing enterprises (WPEs) to purchase damaged wood from this region for a limited period of time during the time of such endangerment. A region is to be defined as an area within the perimeter of the specific WPE, which may also include areas of neighbouring countries depending on the location of the endangered forest areas."

This provision, if adopted and implemented, may represent a breach of the European Internal market rules, in particular Article 34,35 TFEU, thus potentially creating a market distortion and hampering the realisation of a fully integrated Single Market.

Compliance with the Single Market rules is a key driver of growth and the main engine for economic recovery. In these challenging times a well-functioning Internal Market is more important than ever.

A third consecutive year of bark beetle infestation is expected to ravage the European forests, in particular spruce trees. The warm winter of 2019-2020 and spring drought across parts of Central-Western Europe have aggravated the previous year's situation, and the coronavirus pandemic has limited interventions in the management of forests, temporarily blocking domestic and export markets. Climatic factors, abiotic and biotic disturbances, have a direct impact on forests, on the functioning of forest ecosystems and consequently on the European wood value chain. These industries depend on different wood resources, qualities (such as dryness and moistures) and conditions.

Representatives of the European Forestry Value chain are willing to engage both at European and at national level to identify the most suitable solutions that will be beneficial for the entire forest industry value chain and provide credible support to forest owners, for instance by financially supporting them in replanting the damaged forest area.

SIGNATORIES:

Jérôme Roche, Secretary General, <u>CEETTAR</u>: European Organisation of Agricultural, Rural and Forestry Contractors.

Patrizio Antonicoli, Secretary General, <u>CEI-Bois</u>: European Confederation of Woodworking Industries
Jori Ringman, Director General, <u>CEPI</u>: Confederation of European Paper Industries
Gabriella Kemendi, Secretary General, <u>EFIC</u>: European Furniture Industries Confederation
Silvia Melegari, Secretary General, <u>EOS</u>: European Organisation of the Sawmill Industry
Thomas Goebel, General Secretary, <u>ETTF</u>: European Timber Trade Federation
Isabelle Brose, Managing Director, <u>FEP</u>: European Federation of the Parquet Industry