

IMPACTS OF FOREST BIOENERGY AND POLICIES ON THE FOREST SECTOR MARKETS IN EUROPE – WHAT DO WE KNOW?

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with

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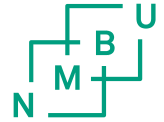
http://www.efi.int/files/attachments/publications/efi_tr89_2014_solberg_et_al.pdf

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A review of 5 studies:

- S1 Mantau et al. 2010: **EUwood - Real potential for changes in growth and use of EU forests.** Final report. Hamburg/Germany, June 2010. 160p.
- S2 Moiseyev, et al. 2011: **An economic analysis of the potential contribution of forest biomass to the EU RES target and its implications for the EU forest industries.** *J. For. Economics* 17:197–213.
- S3 Lauri et al. 2012: **Price of CO₂ emissions and use of wood in Europe.** *Forest Policy and Economics* 15: 123–131.
- S4 Kangas et al. 2011: **Investments into forest biorefineries under different price and policy structures.** *Energy Economics* 33: 1165–1176.
- S5 Moiseyev et al. 2013. **Wood biomass use for energy in Europe under different assumptions of coal, gas and CO₂ emission prices and market conditions.** *J. For. Economics*. <http://dx.doi.org/10.1016/j.jfe.2013.10.001>.

Main findings



1. In the next 10-20 years the EU demand for forest biomass from the EU region may be significantly lower than suggested by S1's (EUWood) medium scenario:
 - The structural changes in global and EU forest products markets are likely to result in a significantly lower demand of forest biomass for industrial purposes than projected by S1.
 - Due to international trade, EU already imports considerable quantities of forest biomass, both for forest industry and bioenergy purposes. These imports are likely to increase in the future, given that the markets and policies in EU provide needs and incentives for this.
 - Forest biomass markets, bioenergy production and the traditional forest industry production react quickly to market signals, such as the prices of raw material and end products.

(Main findings contin...)

2. The choice of policies in the forest and energy sectors will have strong impacts on the biomass markets and the competition between various wood fiber users.
3. EU subsidies for coal with wood co-firing are likely to create substantial market distortion for forest products globally;
4. The impacts of RES policies to the forest and bioenergy sectors are complex and many-sided
5. There is a strong need to update the assessment and outlook for EU forest biomass markets, by considering demand and supply simultaneously and by explicitly consider the effects of policies.

