The 74th International SOFTWOOD CONFERENCE

Press Release, Dublin, October 30, 2026

AMID INCREASING COSTS AND SLOW CONSTRUCTION MARKETS, THE DIFFICULT PERIOD CONTINUES IN THE EUROPEAN SOFTWOOD INDUSTRY

On October 28/29 the 74th edition of the International Softwood Conference was held in the Republic of Ireland capital. The event was hosted by Gerry McGovern, and jointly organised in cooperation with the conference's longstanding partners, the European Timber Trade Federation (ETTF) and the European Organization of the Sawmill Industry (EOS).

Dublin (Ireland), 30 October – This year, the event drew about 300 participants from 25 countries around the world – a record audience for the International Softwood Conference (ISC). On Wednesday, 28 October, participants took part in a tour of Dublin. On Thursday, the Conference Day, the event opened with an inspiring speech by Mr Niall Collins, Irish Minister of Agriculture, who stated that the timber sector in Ireland has significant potential, particularly in the construction sector. Hazel Ahearn Flynn of IBEC provided an economic outlook. She painted a challenging picture amid high and volatile energy costs, rising interest rates and pressure on public spending. This difficult situation is expected to persist for several more quarters.

Morten Bergsten, Vice-President and Softwood Chairman of ETTF, and Tommi Sneck, President of EOS, delivered similar messages from the perspectives of the user and producer sectors, respectively. Mr Bergsten showed that softwood consumption had remained stable in recent years, albeit at levels below the peak reached in 2021. This reflects difficult construction markets across Europe, with building permits remaining subdued in recent years. Mr Bergsten argued that wood may be gaining market share in some European markets, but that a larger share of a much smaller market still means lower overall wood consumption. Both Mr Bergsten and Mr Sneck argued that excessive regulation is hampering the sector: regulation should support the industry rather than obstruct it. After peaking in 2021, softwood production in EOS member countries fell by 10% between 2021 and 2023 and remained stable until 2025. According to early projections, production is set to shrink by a further 4% this year, particularly due to sharp declines in Germany and Sweden. Mr Sneck noted that the decline is concentrated mainly in the spruce sector. Amid high industry costs and yet another decline in lumber prices in the autumn, profitability across the sector remains poor. Exports have fallen in recent years, with the decline expected to be even more pronounced this year. Looking ahead, the European construction market may not return to pre-2022 levels any time soon. However, a full return to those levels may not be necessary for the industry to recover, with European softwood lumber production expected to remain below its 2021 peak.

Mike Glennon of Glennon Brothers provided an overview of the lumber market in Ireland, the host country. Irish output stands at around 1.5 million m^3, with the construction sector representing the main outlet. The Irish economy remains vibrant, particularly compared with the rest of Europe. One challenge for the sector is the low level of afforestation. Stephen King of Timber Development UK and Swedish Wood showed that UK imports of sawn softwood fell by 5% in the first half of 2026, with the decline in whitewood particularly prominent. Overall softwood imports remained stable from 2022 to 2025, despite a decline in housing starts. This may reflect the increasing market share of wood in the English and Welsh construction sectors, as well as resilient demand in non-construction sectors.

Marc Brinkmeyer of Idaho Forest Group (IFG) provided an overview of the US market. Housing starts in the US remain below the long-run average amid high mortgage rates, lower fertility rates and slower population growth. The repair and remodelling sector has been the main driver of lumber demand since 2008, while US production has become increasingly concentrated in the South. Consequently, European lumber exports to the US are declining. Jerome Pelletier of JD Irving argued that the Canadian lumber industry faces significant headwinds, including uncertainty over fibre supply in some regions and the negative impact of softwood lumber tariffs. Canadian softwood consumption is expected to remain stable over the next few years. Antti Koskinen of Afry provided an update on the Russian lumber industry. Since peaking in 2019, Russian softwood lumber exports have more than halved, mainly due to the significant decline in demand observed in China in recent years and European sanctions. High interest rates, combined with maintenance and logistics problems, are putting considerable pressure on the Russian timber industry. Hiroki Hayashi of Sumitomo Forestry Europe presented the outlook for Japan. The picture is mixed: housing starts are expected to decline over the long term, while the price-to-income ratio is worsening. The non-residential sector represents a potential growth opportunity in Japan – a recurring theme at this year's ISC. Franz Kropfreiter of DABG Vienna delivered the presentation on the MENA region. In 2026, around 8.3 million m^3 are expected to be shipped to the region, a significant reduction compared with the 9.2 million m^3 imported in 2025. The decline is entirely attributable to lower exports to the Middle East. Egypt remains a particularly important market for lower grades for Nordic exporters.

The final session of the conference opened with a presentation by Gerd Ebner of Timber Online and Holzkurier on raw material availability in Central Europe. Mr Ebner argued that, following the bark beetle attacks, the amount of damaged wood has now significantly decreased, as have overall log harvests in Central Europe. The long-term resilience of spruce is in danger in Central Europe, particularly at lower elevations. There will be supply peaks from damaged timber, but overall there will be less spruce: pine will have to be increasingly used in timber construction. Maurice van Sante, of ING Research, analysed the broader European construction sector, showing that sentiment is turning more pessimistic amid significant differences between European countries. Developments differ across subsectors, with infrastructure doing better than new building construction. The share of renovation in total building production is increasing. Russ Taylor, of Russ Taylor Global, delivered an insightful overview of global lumber perspectives. Until 2035, average annual growth in global sawn softwood consumption could reach 0.5% in a relatively optimistic scenario. We have a short-term demand problem, but in the long term, we may face a global log shortage when demand rebounds. The final presentation of the day was given by Florian Kraxner of the International Institute for Applied Systems Analysis (IIASA). To limit climate change, Dr Kraxner argued, we need to remove CO_2 from the atmosphere. With building and construction accounting for 37% of total global emissions, decarbonising the construction sector is necessary to limit climate change. Timber construction can turn the built environment from a major source of emissions into a store of atmospheric carbon. Unlocking this potential requires resilient forests, a sustainable wood supply, a competitive wood industry and supportive policies that translate scientific evidence into market opportunities.

The next edition of the International Softwood Conference will take place in Gothenburg, Sweden, on 19-21 October 2027. More information will follow in due course. For more information on the 2026 edition, please visit the website https://www.iscevent2026.com.