



To the Chairmanship of the  
European Parliament Committee on  
Economic and Monetary Affairs

Brussels, 5<sup>th</sup> May 2020

## **Re: The European forestry sector must be part of the future EU COVID-19 recovery plan**

Dear Chairmanship of the EP Committee on Economic and Monetary Affairs,

The outbreak and spread of COVID-19 is having a significant impact on forests and forestry in a growing number of European regions. In the context of the ongoing discussion on the EU recovery plan, and on the EU Green Deal, we would like to share with you forest owners' and managers' concerns about the current situation. We also wish to provide you with strong arguments as to why the forestry sector should be part of the EU recovery plan.

In recent years, the EU forestry sector has been suffering from the severe impacts of climate change-induced damaging agents<sup>1</sup>. Since at least 2018, forests have been facing persistent intense attacks from various harmful agents, be they biotic or abiotic. Regardless of their species composition, forests suffer from water shortages, which weaken them and lead to secondary damage inflicted by insects, fungi and various diseases.

Permanent stress caused by these adverse effects is resulting in a sudden and sharp decline in forest stands, and destabilising both timber production and other functions such as hydrologic, anti-erosion, hygienic and recreational activities. The rate at which forest stands are declining is intensifying every year. Forest management across Europe is facing the inevitable task of slowing down the decline and degradation of forest ecosystems. It is essential to ensure continuous forest regeneration on extensive areas affected by the calamities and, above all, to adopt effective adaptation measures preventing future forest damage.

In particular, some pathogens (bark beetle on conifers, fungal disease on ash, invasive lace bug on oaks, invasive plants etc.) infestation has been causing considerable economic and environmental damage to forest owners and managers in many Member States. This trend looks set to continue.

Forest owners and managers have adopted a responsible approach to adapt to and mitigate the consequences of pathogens outbreaks and recurrent natural disasters; they are investing significant

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<sup>1</sup> [Forest dieback in European State Forests and measures for its combat](#)

funds into keeping all forest functions up and running. In many cases, due to the disastrous situation, the revenue that these functions generates exceeds the income earned from the timber harvested. It will take individual forest owners and enterprises decades to overcome the far-reaching consequences of the disaster that have ensued over the past five years at least.

Whilst Europe has been paralysed by COVID-19 over the past few weeks, many regions in the EU have once again witnessed a severe draught and the spread of major forest fires.

The COVID-19 crisis, therefore, has hit at a time when the sector in various EU countries already finds itself in a difficult situation. This could have serious repercussions in the short and medium term not only for forest owners and managers but also for the forest-based sector as a whole.

In most Member States, the outbreak of COVID-19 has resulted in a slowdown of forest management operations due to the confinement measures imposed. The immediate consequences for forest owners and managers primarily stem from the continued decline in wood outlets and sales in the interrupted supply chains. Sawmills, in particular, are heavily impacted due to the drastic drop in construction, furniture and panel production. Graphic paper and wood energy sector activities have also decreased. Overall, export-oriented industries are witnessing a decline in demand across the EU. Forestry contractors are also experiencing difficulties due to the industry shutdown. These factors, in addition to the forest calamities, are causing the markets and prices to collapse and pose high forest health and resilience risks. This situation and the actions needed to address it, including adaptation to climate change, will affect the economic viability of the forestry sector.

Over the past few weeks, the emergence of infectious diseases such as coronavirus has been raised in discussions in conjunction with the destruction of nature, biodiversity loss and deforestation. These are indeed major worldwide issues and the EU can rely on its remarkable forestry sector, as the number one custodian of biodiversity, supported by responsible and committed actors, to propose solutions worldwide.

The EU forestry sector provides society with multiple ecosystem services, be these economic, climatic, environmental or societal. Sustainable forest management (SFM) provides three main climate benefits: CO<sub>2</sub> sequestration in resilient, growing forests; carbon storage in wood and harvested wood products; and a renewable and climate-friendly raw material that substitutes energy-intensive materials and fossil fuels. With regard to the environment, nature conservation is ingrained in the commitments and daily work of EU forest owners and managers.

The EU forestry sector, and the 500,000 jobs that it provides, must be seen as a central solution in the green recovery and in achieving the EU Green Deal objectives. It is therefore of paramount importance that the EU recovery plan and multiannual financial framework (MFF) adequately recognise and support the forestry sector.

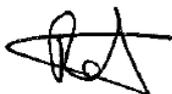
The EU and its Member States need to demonstrate strong political commitment allowing funds to be allocated to investments into the sustainable management of EU forests, regardless of the type of forest ownership. These should include support to ; forest regeneration and resilience; maintenance of biodiversity within forest ecosystems; water retention, strengthening the use wood materials in the circular bio-based economy, improving the safety of workers and the education and knowledge of the future workforce.

Above all, we need a strong and adequate budget for the CAP, one that is at least equivalent to the CAP expenditure in the current MFF. This should be combined with other tools and measures in order to encourage sustainable forest management activities to continue or to resume and to boost much-needed investments and innovation that will enable the sector to recover.

The forestry sector is essential in making the Green Deal a reality and building a post-COVID-19 future-fit Europe. We hope that this vital role will be duly acknowledged and considered in future EU decisions in particular in the new EU Forest Strategy post-2020.

We would like to thank you for taking our concerns into consideration and we remain at your disposal should you have any further questions.

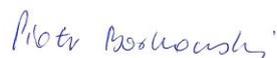
Yours faithfully,



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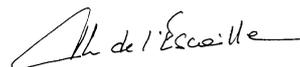
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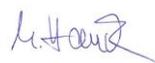
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