

Exporting tropical timber decking to Europe

After some years of decreasing imports and consumption, the European market for tropical timber decking now remains stable. Tropical timber decking is popular among European consumers who appreciate its aesthetic and durability features. A part of the tropical hardwood decking market is being substituted by Wood Plastic Composite (WPC) and other materials. Value addition through certifications and competitive prices will be critical in order to access the market.

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1. Product description

Decking refers to a flat or profiled (anti-slip) timber surface, usually moulded and intended for outdoor use. Tropical timber decking can be used in different ways: as part of garden landscaping, as an alternative to stone patios and as an extension to living areas of the house. Tropical timber is defined as non-coniferous tropical wood, which grows or is produced in the countries situated between the Tropic of Cancer (Northern Tropics) and the Tropic of Capricorn (Southern Tropics).

Figure 1: Examples of tropical timber decking



Source: novausawood.com

For the classification of tropical timber decking, the Harmonised System (HS) is used. The main HS code used is 4407, Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm. Within this group, the following codes are used to identify various species:

4407.21 mahogany. 4407.22/23/24 virola, imbuia and balsa. 4407.25 dark red meranti, light red meranti and Meranti bakau. 4407.26 white lauan, white meranti, white seraya, yellow meranti. 4407.27 sapelli. 4407.28 iroko. 4407.29 other tropical wood and 4407.99.96 other tropical wood.

There is no specific separate code for decking.

2. Product specifications can be separated into the following characteristics:

Quality

Two main types of decking can be identified on the European market, based on their end-market use. On the one hand, hardwood decking with anti-slip represents a large market where gardens are common and gardening is a popular hobby. On the other hand, hardwood decking without anti-slip represents a much smaller market and is used by construction companies for various purposes (for instance, bridges).

Main species

The European market for tropical decking is very diverse when it comes to species. It depends on the country which species are the more popular. The most used species in some of the larger importing countries are as follows.

The Netherlands: bangkirai, massaranduba, kapu, belinga, kempas, angelim vermelho and keruing.

Germany: cumaru, kayu batu and bagkirai.

Belgium: bangkirai, padouk, mukulungu, niove and okan.

France: bangkirai, okumé, azobi, badi, doussies, padauk, iroko, cumaru, ipe, jatoba, massaranduba and tatajuba.

Dimensions

The most common dimensions for decking boards in the European market are the following.

Length: 180 cm, 210 cm, 240 cm, 270 cm, 300 cm, 330 cm and 360 cm.

Width: 14.1/14.3/14.5 cm.

Thickness: 1.8/2.1/2.5 cm.

Colours

This aspect depends on the country as well.

The Netherlands, Germany and Belgium: red-brown coloured garden timber and decking, which is associated with durability.

France: French consumers have a variety of preferences when it comes to the colour of their decking. Popular timber colours in the French market include Brown-dark brown, Grained grey, Grained brown, Dark red, Bright yellow to orange-yellow and Light brown to pink.

Types of packaging

Orders are usually transported and counted by the number of containers (20 ft or 40 ft). Dry Cargo Containers defined as 20'GP (general container), 40'GP and 40'HQ (high cube) are normally used for shipment.

If the density of your wood product is very high and the volume of the order is low, it is recommended that 20'GP containers are used. If the volume is large, it is recommended that 40'GP containers are used.

Bundled decking: random length decking bundled in average length bundles.

Nested decking: random length decking bundled continuously end to end.

Labelling

Labels for timber decking should include the following information:

description of the timber decking, country of harvest, species (common trade name), quantity, details of the supplier (company name, supplier's name), compliance with national legislation and sustainability labels.

3. What makes Europe an interesting market for decking?

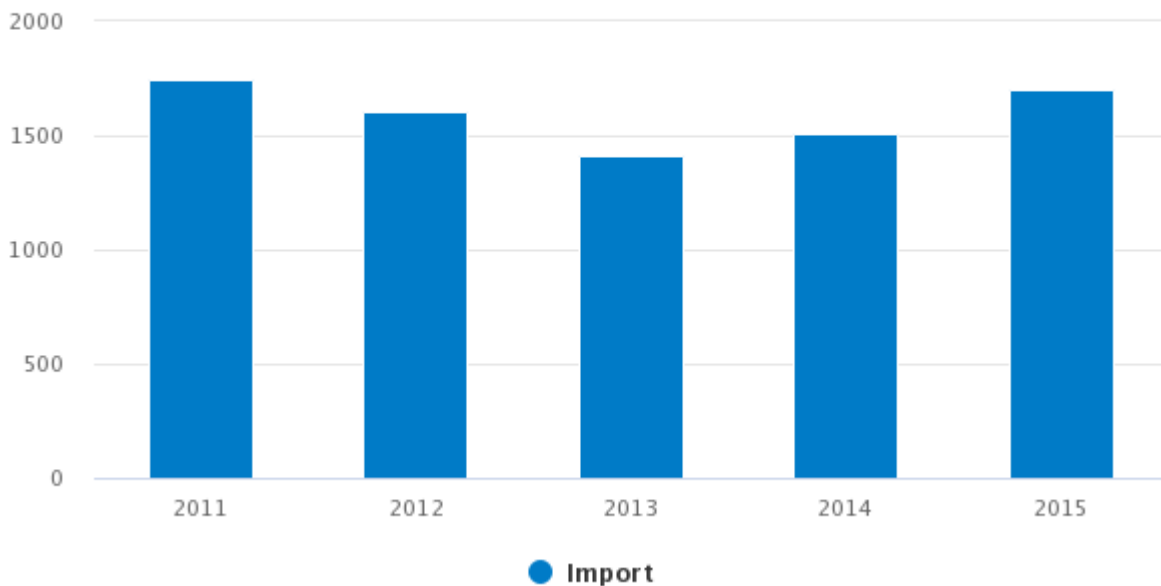
The statistics below are based on Eurostat data about tropical sawnwood. There is no special or separate data about decking. As a result, it is assumed that decking follows the same statistical trends as tropical sawnwood. As a part of the decking market (around 25% in 2016) has been replaced by Wood Plastic Composite (WPC) material (see below in the Trends section), some caution with the statistics is required.

Import: gradual recovery

The figure below presents the global import of decking (tropical sawnwood) to the 28 European Union countries.

Figure 2: Import of decking 2011–2015

in € million



Source: Eurostat 2016

During the period between 2011 and 2013, imports to Europe decreased slightly, amounting to around € 1,410 million in 2013. However, evidence of economic recovery has since shown in the figures, resulting in an import value of € 1,700 million over 2015. The strict implementation of the EUTR might still affect imports of tropical decking in the coming period, since Europe has been actively blocking imports of illegal timber as well as non-verifiable timber.

Almost all the timber comes from non-EU/EFTA countries (and developing countries), reaching almost € 1,669 million in 2015. The remainder is sourced from other European Union countries (so called 'intra-EU/EFTA trade'). In 2015, the largest importers were Belgium (€ 405 million), the Netherlands (€ 347 million), France (€ 195 million), the United Kingdom (€ 151 million), Germany (€ 148 million) and Italy (€ 137 million).

Tip:

As competition between developing countries will be fierce, it is recommended that exporters differentiate their products; for example, exporting decking of higher added value by focusing on finishing and design is recommended as a means of distinguishing yourself from competitors.

Exports: gradual increase

The figure below presents the export or re-export of decking (tropical sawnwood) from the 28 European Union countries to the rest of the world.

Figure 3: Export of decking 2011–2015

in € million



Source: Eurostat 2016

European exports followed the trend of imports with a slight drop during 2011 and 2013, amounting to around € 480 million in 2013. Afterwards, the economic recovery became evident and resulted in a re-export of € 610 million in 2015.

It is important to note that the production of tropical decking is not taking place in Europe. As a result, the value of exports signifies the value of re-exports of processed timber decking to other countries.

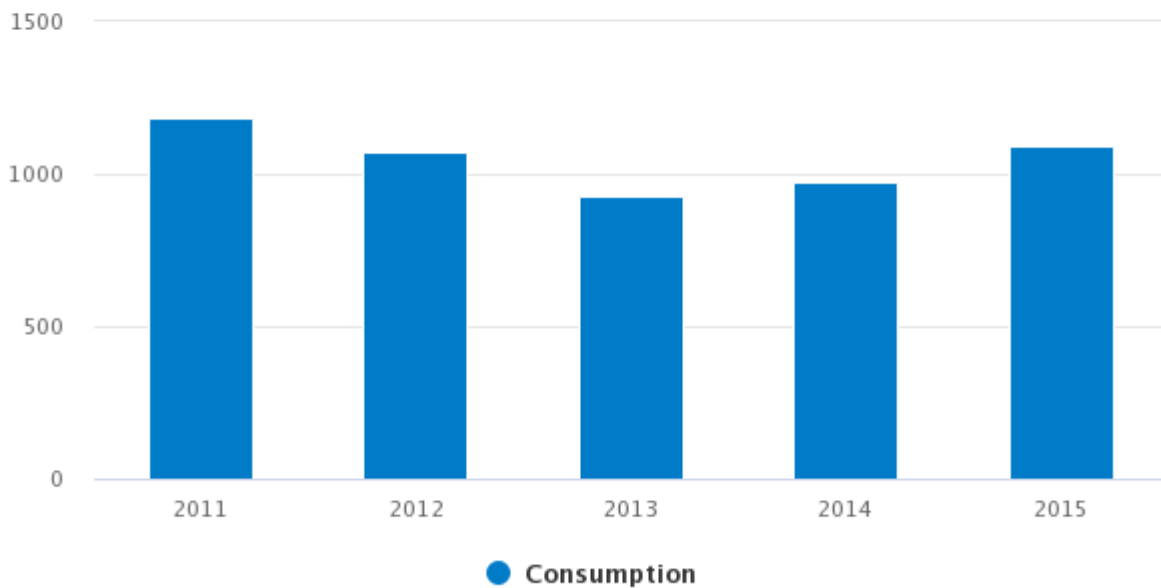
In 2015, the largest exporters were Belgium (€ 325 million), Germany (€ 86 million), the Netherlands (€ 82 million), Spain (€ 25 million), Italy (€ 25 million) and Denmark (€ 22 million).

Consumption: gradual recovery

The figure below presents the consumption of decking (tropical sawnwood) in the 28 European Union countries. The consumption is calculated as Imports + Production (which is zero) – Exports. Although production is normally taken into account, the production of tropical timber does not take place in Europe.

Figure 4: Consumption of decking 2011–2015

in € million



Source: Eurostat 2016

The consumption of tropical decking decreased between 2011 and 2013. In 2013, the European consumption of tropical timber decking amounted to almost € 930 million. Afterwards, the economic recovery became evident and resulted in a consumption of € 1,090 million in 2015.

The GDP and consumer confidence are expected to increase further in 2016. This development will further positively affect the consumption of these products, which are closely connected with the developments in the garden wood sector. In 2015, the largest consumers were the Netherlands (€ 264 million), France (€ 187 million), the United Kingdom (€ 146 million), Italy (€ 112 million) and Belgium (€ 80 million).

Tip:

Make sure that you promote your product well. As timber decking is used outdoors, qualities regarding durability, water resistance, resistance against fungi and insects should be emphasised, among other things.

4. Which trends offer opportunities on the European market for decking?

The [CBI Tropical Timber Trend](#) document provides you with detailed trends on the European market for sustainable tropical timber and timber products. The section below gives a short summary of the most important developments and trends on the European Union market.

Substitution by soft and temperate wood species and non-timber alternatives grows. The increased availability of thermally and chemically treated softwoods and temperate hardwood means that tropical timber is increasingly being substituted in furniture, joinery and garden products such as decking. Decking is also replaced by Wood Plastic Composite (WPC) material. This material is used as a substitute for timber mainly in garden products, decking and fences.

WPC products can also be FSC (Forest Stewardship Council) certified when made of certified wood dust, even though it consists mainly of glue. WPC is cheaper, it looks like wood and can be handled as if it were wood, but it has the durability of plastic. Each piece is knot-free and consistent in size and colour. As a result, it is a serious threat to tropical timber in various outdoor applications, especially decking.

The share of WPC in the decking market has been continuously increasing and accounted for 5% in 2012. A strong growth has since taken place in Europe, backed up by the recovery of construction in recent years. It is expected that the WPC decking market grew at a rate of about 5–10% per year between 2013 and 2015. Although the market will continue to grow after 2015, there will be less potential for substitution as the market gets more and more competitive.

For 2016, the WPC market penetration will be around 25% of the decking market. This figure was also reached in North America a couple of years ago and has been stable since. More growth would be unrealistic, as Europeans have a strong attachment to solid wood (Source: “[WPC Market Opportunities Biobased Materials](#)”, Netherlands Enterprise Agency (RVO), 2014, page 39).

Workforce demographics stimulate outsourcing; production is slowly moving to eastern European and developing countries. Consumers are slowly returning to construction. The period of economic recession took the European construction market into a downturn, since fewer parties were constructing new homes. Nevertheless, the market for renovations remained steady and is now on the increase again.

Consumer awareness about deforestation and climate change increases. In most of the important importing countries of tropical timber in Europe, sustainability is high on the agenda of the consumers and thus also of governmental agencies, timber trade federations and large retailers. Traceability systems are gaining importance too.

More efficient processing, value addition and innovation are on the rise. To increase efficiency, there is a move towards processing techniques that enable the use of timber waste which would otherwise be discarded (for instance, finger jointing, lamination).

The Gross Domestic Product (GDP) in the European Union is expected to grow by 1.8% in 2016 and by 1.6% in 2017 (EU/EFTA Forecast 2015). The growth for 2017 was tempered in the last part of 2016 because of Brexit, the United Kingdom's withdrawal from the European Union.

The rise of demand in emerging economies continues. The rapid development of emerging economies is fuelling demand for tropical timber and timber products.

The pressure on price premiums mounts. The price premiums for certified tropical timber and timber products are under pressure because certification becomes “business as usual”.

Lesser-known species are in demand. An important part of sustainable forest management schemes is the promotion of lesser-known species. The scarcity of well-known/popular tropical timber species offers opportunities for new species.

The European Union Timber Regulation (EUTR) is meeting expectations only partly. The implementation of the EUTR is still in its infancy. In many European Union Member States, the monitoring of illegal timber trade is still insufficient.

The euro has appreciated against the US dollar, from a low of 0.72 euro/US dollar in April 2014 to a high of 0.84 in September 2017. This fact means that the euro is still weak (November 2016), which has influenced prices and price competitiveness. A stronger euro means that European buyers pay relatively lower prices for timber from many Asian and other countries that maintain timber prices in US dollars or have currencies linked to the US dollar.

5. Which requirements should decking comply with to be allowed on the European market?

This buyer requirement section is separated into three parts: requirements that you *must* meet to be able to export, additional requirements that you *may* meet and niche requirements that you *can* meet. Below, you will find a summary only. For more information, please read the more detailed CBI document on “[Requirements with which your product should comply](#)”. You can also check the International Trade Centre’s [Standards Map](#), an online tool providing information on over 130 standards and other similar initiatives.

6. Which requirements must you comply with?

The European Union Timber Regulation (EUTR) is the most important requirement that you must meet. There is also the European Union General Product Safety Directive, however, which applies to all consumer products. Products that are permanently incorporated into construction works also have to comply with the Conformité Européenne (CE) requirements.

In addition, there is the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) to comply with and the European “Registration, Evaluation, Authorisation and Restriction of Chemicals” (REACH) to take into account. For packaging material, you have to comply with the International Standards for Phytosanitary Measures (ISPM).

Which additional requirements do buyers often have?

Sustainable forest management is especially relevant to tropical timber, due to concerns about deforestation and global warming. Moreover, importing companies often need to address other issues than the origin of wood. European buyers (especially those in western and northern European countries) pay more and more attention to their corporate responsibilities regarding the social and environmental impact of their business. This aspect also affects traders and processors.

What are the requirements for niche markets?

Ecolabels may be important. These labels do not only focus on sustainable sourcing but also on other aspects of the products: processing (for instance, energy consumption, waste management), packaging and the use of chemicals. Smallholders and communities often face tough competition on the global timber market. The Forest Stewardship Council (FSC) has developed a “dual certification of FSC and Fair Trade” that has been tested and is available.

Country-specific requirements

Various European countries have their own regulations or requirements. The following larger importing countries and their specific requirements can be identified.

Germany

General building regulation (Bauordnungsrecht). “U” mark (mandatory requirement for commercial building products). German regulations on pentachlorophenol and formaldehyde (Chemikalien-Verbotsverordnung). Public procurement. The DIN (German Institute for Standardisation) aims to organise and moderate standardisation in Germany. It currently has 11 standards and specifications in relation to tropical timber

Belgium

Belgian building regulations. Public procurement. The Federal Government supports the certification of sustainably managed forests and will use only certified wood in its procurement procedures. The Federal Government advised the three “Gewesten” (Regions) to implement similar regulations, which they are doing gradually. The NBN (Bureau for Standardisation) aims to organise and moderate standardisation in Belgium. It currently has 24 standards and specifications in relation to tropical timber.

France

Public procurement: the French government's public procurement policy for timber requires that all timber and wood-derived products must be from independently verifiable, sustainable sources.

AFN technical standards. AFNOR provides technical specifications for outdoor timber: NF B54-040:2010, NF B54-040/A1:2013 and NF EN 12871:2013. Specifications include product dimensions, stability and moisture requirements.

The Netherlands

Dutch building regulations (Dutch "Bouwbesluit"): products used in building projects must comply with the Dutch building regulations. Public procurement. Dutch regulations on various chemicals such as formaldehyde. The NEN (Dutch Institute for Standardisation) aims to organise and moderate standardisation in the Netherlands. It currently has 51 standards and specifications in relation to tropical timber.

7. What competition do you face on the European decking market?

For a complete and detailed overview of your competition on the European market, you can read our "[Competition in the timber sector](#)" document. With regard to CLT, take the following into account.

Your competition is working on legality and traceability

Legality and traceability requirements are considered major barriers for exporters in developing countries. This fact is because of the potential problem with illegal timber. Nevertheless, products with less detailed specifications and less sophisticated design, such as decking boards, will enter the European market more easily compared to other timber products such as garden furniture.

Tips:

Keep up to date with market access requirements and trends, following details of developments provided by CBI.

Make sure that you work on the legality and traceability of your raw material.

Your competition is there; make sure that you stand out

As tropical timber decking has a standard design, it is not considered a speciality item. Consequently, buyers are more likely to switch between suppliers than is the case with speciality items such as garden furniture. Market rivalry also depends on the availability of the various timber species, since specific timber species can be used for the same application. If the price of one species increases, buyers will switch to the cheaper species.

Tips:

Make sure that you add value to your product by improving its durability, quality and design (colour of the timber) through the use of tropical hardwood species with a higher density which can be used for exterior purposes.

Timber prices can change daily, so you depend on your buyers to stay informed of the price developments. For more general information on prices, check the [bi-monthly ITTO tropical timber market reports](#) (International Tropical Timber Organization) and the [FORDAQ](#) website.

Your competition is offering Wood Plastic Composites (WPC)

Alternatives to several tropical timber products are widely available on the European market. This market offers Wood Plastic Composites as well as thermally and chemically treated European timber that resembles tropical timber. Nevertheless, the technical characteristics and environmental qualities of sustainable timber are hard to surpass.

The threat of substitution is of course higher when alternative materials are widely available. For example, tropical hardwood decking is increasingly being replaced by composite material, thermally and chemically treated European timber or bamboo.

Tip:

The threat of substitution can be a driver for innovation. For example, due to restricted supplies, buyers are increasingly interested in Lesser-Known Species (LKS). This development can be an opportunity for exporters in developing countries.

European companies are investing in your country and become competition

As a result of the decreased availability of tropical timber and the increased buyer requirements on the European market, European buyers are working towards vertical consolidation of their supply chain. Europe is replacing part of its suppliers of tropical timber due to legality issues. They can do so by sourcing tropical timber directly in the harvesting countries, thus weakening the role of the exporter.

Vertical consolidation is currently taking place on the timber decking market. This development creates the need for long-term cooperation between suppliers and importers. As such, importers of tropical timber decking indicate that they are building relations with their suppliers in developing countries for many years to come and often visit the exporting companies to make sure that the operations are carried out accordingly.

Tip:

The stricter requirements of the European market create the necessity for long-term cooperation. At the same time, working together with other processors and traders will make you a more attractive supplier while reducing the costs and supplying higher volumes.

8. Through which channels can you get decking on the European market?

For more general information about market segments and channels, you can have a look at the [Market Channel and Segment document](#) available on the CBI market intelligence platform.

The value chain for tropical decking does not present significant differences from the general tropical timber sector. Exporters of tropical decking in developing countries mostly sell their products to importers and wholesalers on the European market. Decking is distributed via retailers, Do-It-Yourself (DIY) stores (such as [Homebase](#), [Praxis](#) and [Hornbach](#)) and construction companies, mostly in a finished form.

Trading channels for tropical timber products such as decking have changed drastically in recent years. First of all, the influence of e-commerce has shifted timber sales towards a much quicker and more open process. More importantly, legality and sustainability demands have resulted in the shortening of supply chains, thereby decreasing the number of agents active in the tropical timber trade.

Figure 5: Trade structure for decking



Source: Forestry Service Group

Tips:

If you supply sustainably certified tropical timber products, the Netherlands, Belgium and Germany are the ideal countries for you to export your product. These markets offer higher profit margins on products compared to non-certified ones.

European importers find it difficult to connect with the right supplier. They aim to establish long-term cooperation in order to secure supplies. As such, make sure that you have in mind the possibility to establish long-term relationships when you approach buyers, presenting yourself as a professional and committed business partner.

The [Global Forest Trade Network](#), a WWF initiative which aims to connect sustainable timber exporters with European industries, can provide you with an important opportunity to connect to the right buyer.

CFA: The European Parquet Flooring Federation ([FEP](#)) advises its members to focus on the higher segments of the market by emphasising the technical performance, aesthetic appeal and sustainability credentials of the product. For decking, this focus would mean anti-slip and anti-rot properties, variety in colours, and durability and legality credentials.

9. What are the end-market prices for decking?

For tropical timber decking, part of the final value is added in Europe after import. If you see opportunities to add more value to your decking boards before exporting (for example, by exporting more sophisticated products such as other wood species, sizes that are in demand or better packaging), it may attract higher margins.

Tips:

Factors that influence the price of tropical timber decking are the availability of species, humidity levels (12–20%), durability class (density of the timber), quality (occurrence of stains, knots, end shakes, mould, warped boards, insect holes, breaks, repairs) and sustainability certification (FSC, PEFC (Programme for the Endorsement of Forest Certification)).

Premiums are sometimes paid for decking with a sustainability certificate.

Figure 6: Price breakdown of tropical timber decking imported to Europe (excluding VAT, average 20%)



Source: FSG

Common market prices

The table below provides examples of retail prices (including VAT) in the major importing countries. Prices are based on an average length of 250 cm. Please be aware that prices are lower when products are shorter, and higher when they are longer.

Table 1: Examples of retail prices

Product	Size (Width*thickness)	Price	Source	Country
Bangkirai (FSC)	145*21 mm	€ 66/m ²	OBI	Germany
Kempas (FSC)	145*21 mm	€ 50/m ²	OBI	Germany
--WPC Light oak	145*21 mm	€ 41/m ²	OBI	Germany
Bamboo	140*20 mm	€ 59/m ²	Bauhaus	Germany
--WPC Rettenmeier Marone	145*21 mm	€ 40/m ²	Bauhaus	Germany
Mukulungu (Congo) (FSC)	145*21 mm	€ 70/m ²	Hornbach	Germany


Garapa/Mururé	120*21 mm	€ 65/m ²	Hornbach	Germany
Cumaru	140*21 mm	€ 99/m ²	Terrasse - Nature	France
Padouk	140*21 mm	€ 119/m ²	Terrasse - Nature	France
Hévéa (PEFC) (Rubber tree)	145*20 mm	€ 69/m ²	Leroy Merlin	France
--Composite, grey	145*21 mm	€ 27/m ²	Leroy Merlin	France
Mukulungu (Congo) (FSC)	145*21 mm	€ 70/m ²	Castorama	France
Almendrillo (FSC)	145*21 mm	€ 69/m ²	Castorama	France
--WPC	145*21 mm	€ 35/m ²	Castorama	France
Hardwood* (FSC)	143*25 mm	€ 107/m ²	Praxis	Netherlands
Almendrillo (FSC)	145*19 mm	€ 100/m ²	Praxis	Netherlands
Hardwood*	143*20 mm	€ 75/m ²	Gamma	Netherlands
--WPC	150*25 mm	€ 62/m ²	Gamma	Netherlands
Kapur (FSC)	145*21 mm	€ 69/m ²	Tuinhoutcentrale.nl	Netherlands
Morado (FSC)	145*25 mm	€ 39/m ²	Tuinhoutcentrale.nl	Netherlands
Bangkirai (FSC)	145*21 mm	€ 48/m ²	Van Loon	Netherlands

Bangkirai	145*25 mm	€ 40/m ²	Cevo	Belgium
Padouk	145*22 mm	€ 127/m ²	Houtland	Belgium
Bangkirai	145*28 mm	€ 86/m ²	Houtland	Belgium
Niove (FSC)	145*28 mm	€ 62/m ²	Ecohout	Belgium
Okan (FSC)	140*24 mm	€ 64/m ²	Ecohout	Belgium
Padouk (FSC)	145*21 mm	€ 90/m ²	Ecohout	Belgium
Mukulungu (Congo)	145*19 mm	€ 73/m ²	Brico	Belgium
--WPC	140*23 mm	€ 70/m ²	Brico	Belgium


*Gamma and Praxis do not inform consumers about species; instead, they sell their decking as “hardwood”.

Please review our [market information disclaimer](#).

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