

Recent developments in Norwegian forest sector

Norway experienced a drop in volume harvested wood for sale in 2020. Volume harvested wood has steadily increased from 2009 to 2020, probably mainly because of the pandemic.

The demand for sawn tree products has shown a rapid increase in Norway during the pandemic. As a result, the prices on building materials etc, have increased substantially. The effect of this on the timber prices has not been so profound yet - but we see signals now that the timber prices will be rising in the time to come.

The COVID-19 pandemic has caused challenges for the sector. Travel restrictions prohibited foreign workers to participate in the planting season both in 2020 and 2021. The government has contributed in additional financing and support for the sector to maintain the level of planting during the pandemic. The planting season of 2020 went quite well, and the number of planted seedlings was approximately as planned. This year's planting season is still going on, but big efforts has been made to recruit Norwegian planters.

In recent years Norway has experienced a structural change in the forest industry. Several pulp mills closed from 2012 and onwards. Prior to this time Norway was a net importer of wood. After the change, Norway became a net exporter. The main timber exporting destinations are Sweden and Germany.

The change in the industry structure has generated a discussion and strive for (re-) establishing forest industry in Norway. Investment in Norwegian forest sector has so far lagged substantially behind what is observed in neighbouring countries like Sweden and Finland. An effort from the government to nurture the development has been revealed recently: The government opens for Investinor AS, a governmental owned investment company, to establish and manage funds in cooperation with private enterprises. The aim is to encourage investment in the forest sector.

The government recently submitted the Norwegian Climate Plan 2030 to Stortinget (Parliament). The plan explains actions for all sectors in the effort to implement the climate mitigation targets and the Paris agreement. Forestry feature prominently among actions explained. Currently, work is going on to prepare for the implementation of these forest related actions and other means presented in the plan. Some of these actions are:

- Strengthen existing measures established in 2016:
 - Supporting higher seedling density in regeneration
 - Supporting fertilizing of forests
 - Supporting tree breeding (developing genetically improved material)
- Actual new measures to consideration with high potential for increased CO₂-removals, e.g.:
 - Support afforestation - planting in new areas
 - Tending of young stands
 - Combating root-rot
 - Prevent logging of juvenile/younger stands
 - Strengthen and clarify regulations on the obligation to regenerate forests
 - Cleaning of existing ditches