



# EATTA Shippers Meeting

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## Main Points

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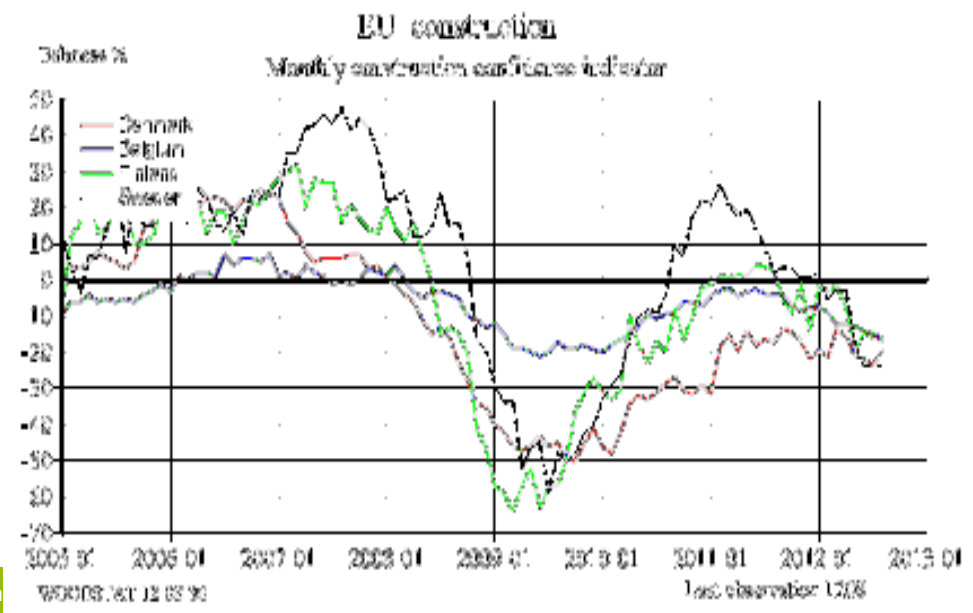
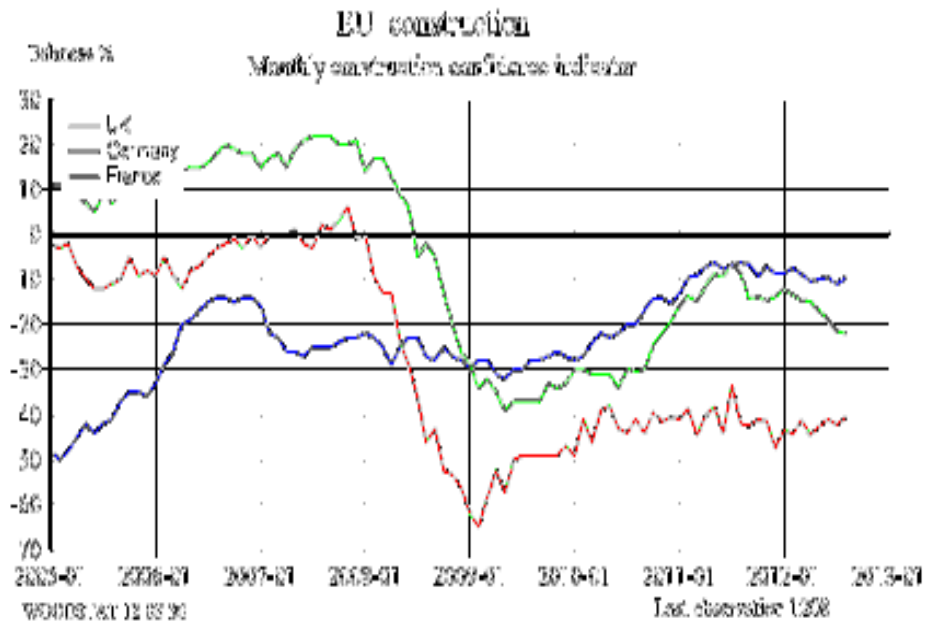
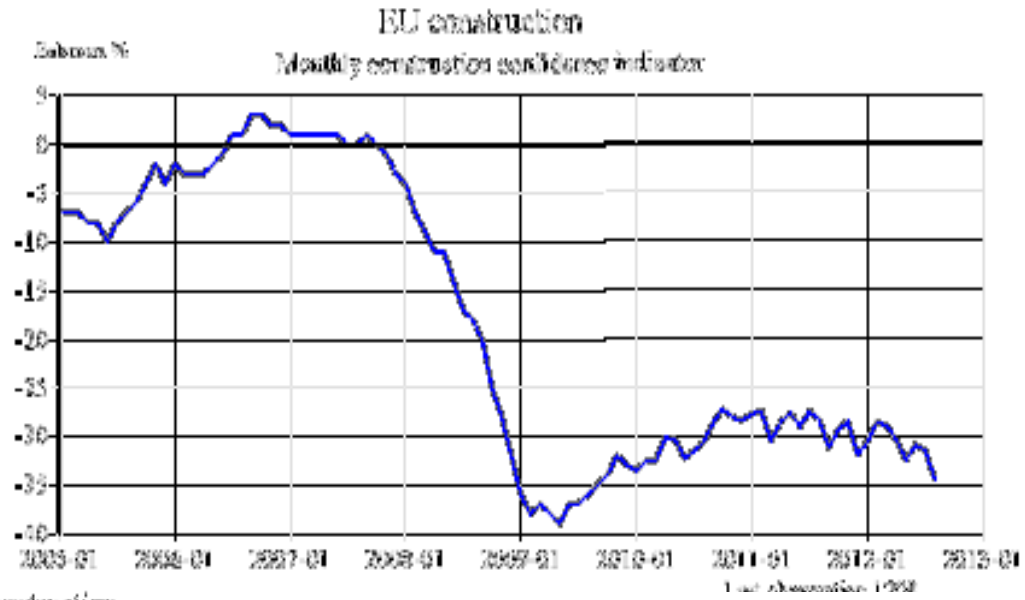
- Quick note - consumption
- Historical statistics – production, stocks and sales
- Current situation
- 2013 prognosis

# To what extent have we had a consumption problem in 2012 ?

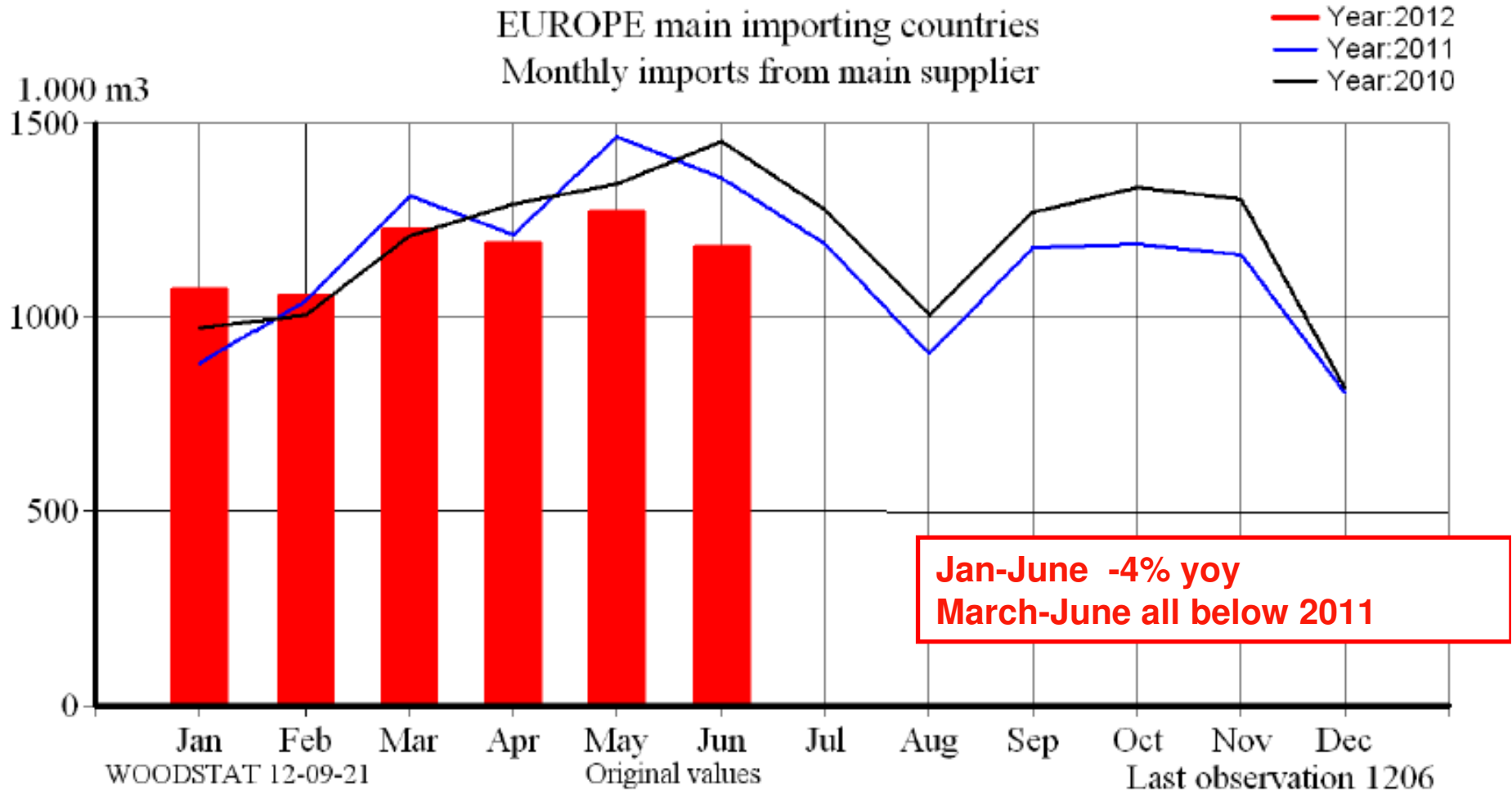
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- Europe
  - ◆ First half year lower volumes were consumed than in 2011 + TREND is down from May/June
  - ◆ Large differences between countries
    - German speaking as well as Nordic countries showed good or at least reasonable consumption development
    - England, France and the Mediterranean countries declined
- The US
  - ◆ Steady, but slow, growth of consumption, from a low level
- North Africa / Middle East
  - ◆ Much higher volumes than 2011 has been shipped, but we believe that some has stayed in increased stocks
  - ◆ As usual big swings between individual months
- Asia
  - ◆ Higher volume in Japan due to increased construction (temporary?)
  - ◆ China has slowed down but volumes are anyhow “historically high”

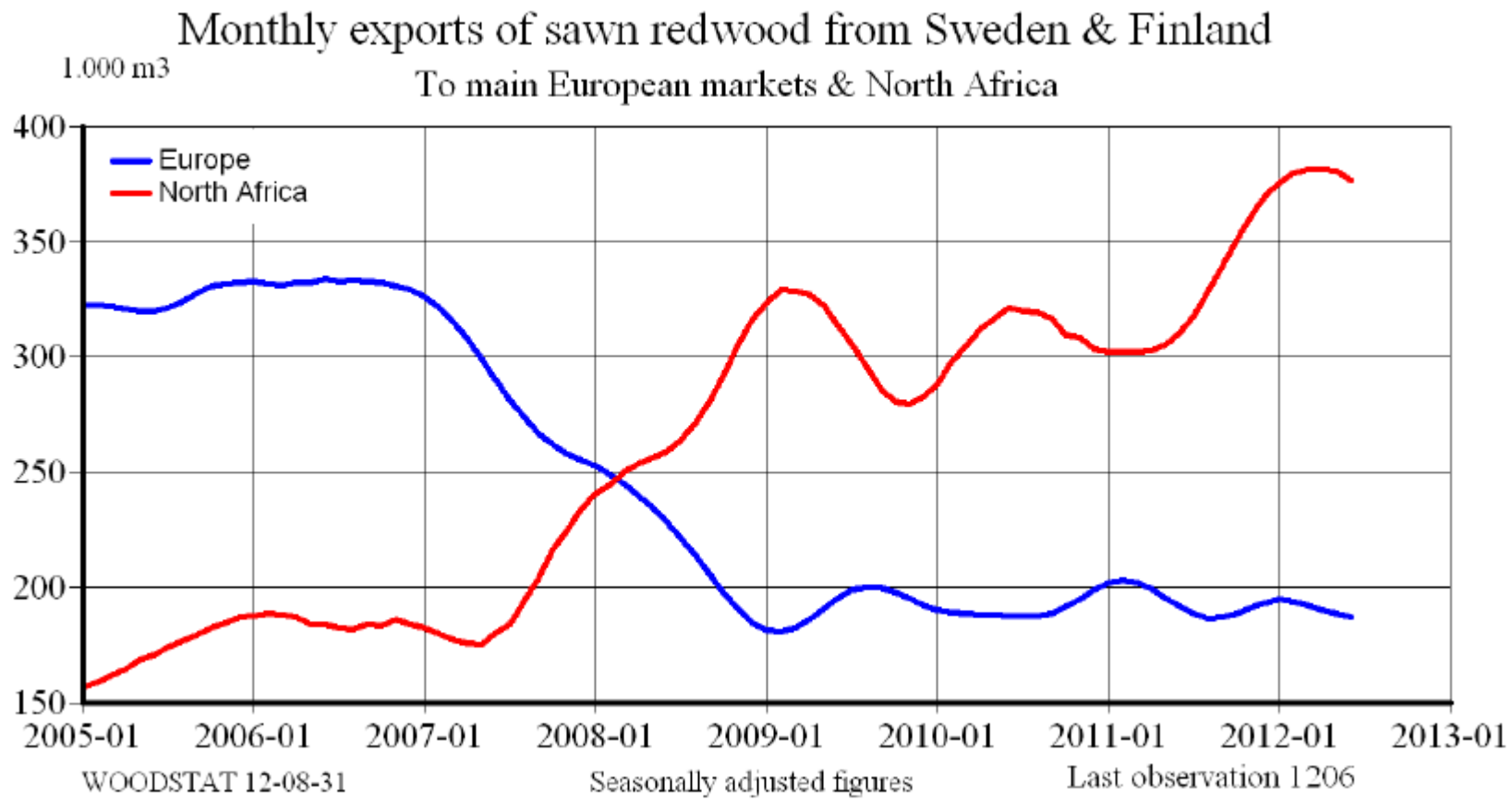
# European construction confidence index indicates lower activity than last year



# European softwood imports have shrunk by 20% from 2003-2005 level – now heading down again



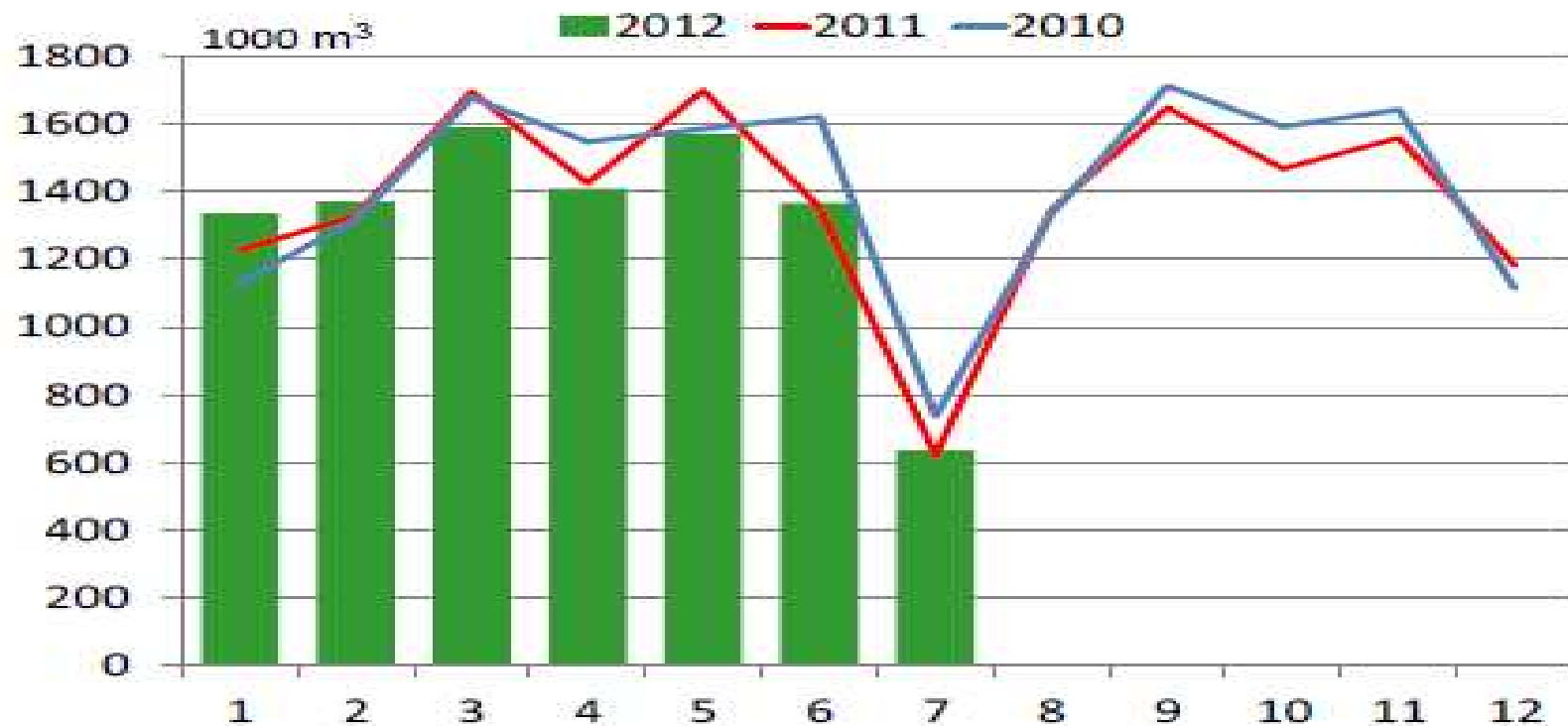
# North Africa and Middle East markets are becoming more and more important



Med Europa avses importen av sågad furu till: Storbritannien, Danmark, Holland, Belgien, Frankrike, Tyskland, Spanien och Italien

Med Nordafrika avses importen av barrträvaror till: Algeriet, Marocko, Tunisien & Egypten.

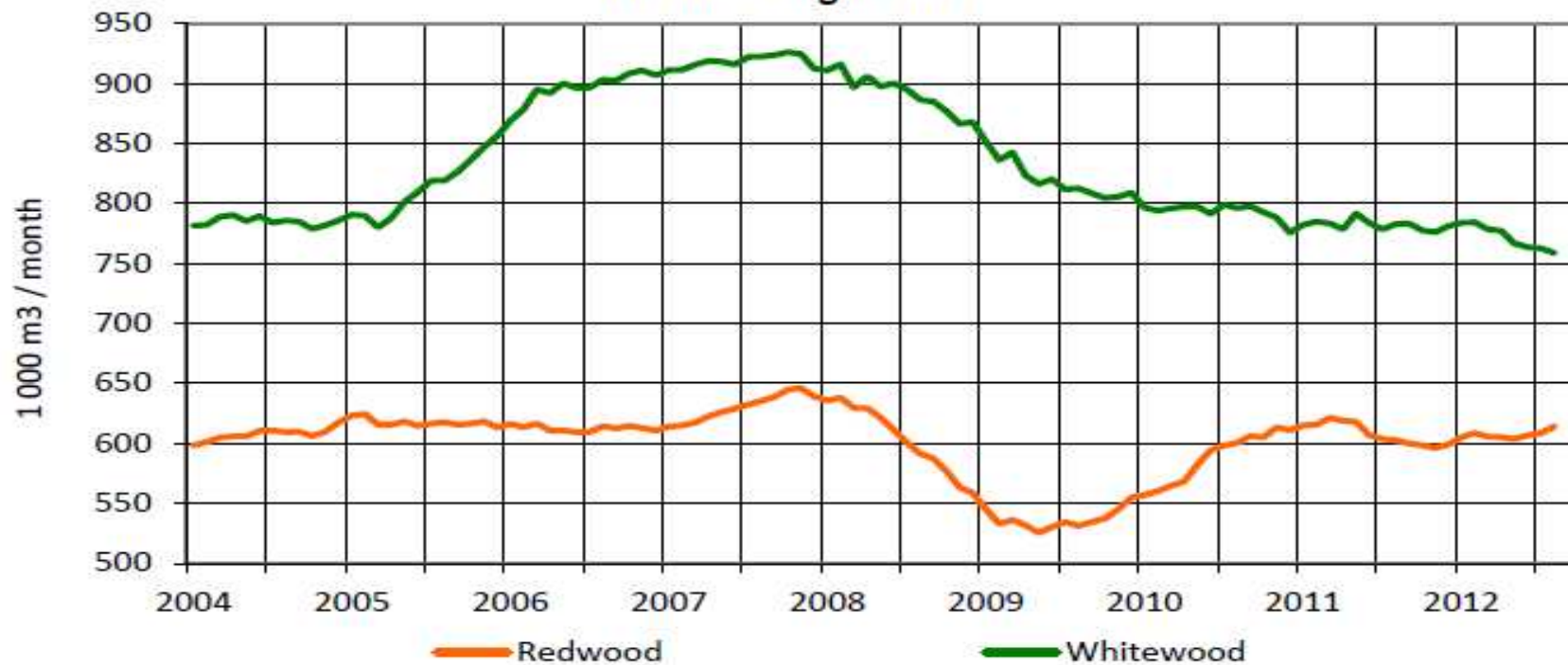
# Sweden, production incl. July 2012



Production in Jan – July 2012 was 9.3 million m<sup>3</sup>, 1% lower than 2011

# Production by Type

Monthly production of Whitewood and Redwood in Sweden. 12 months moving average.  
Jan 2004- August 2012.





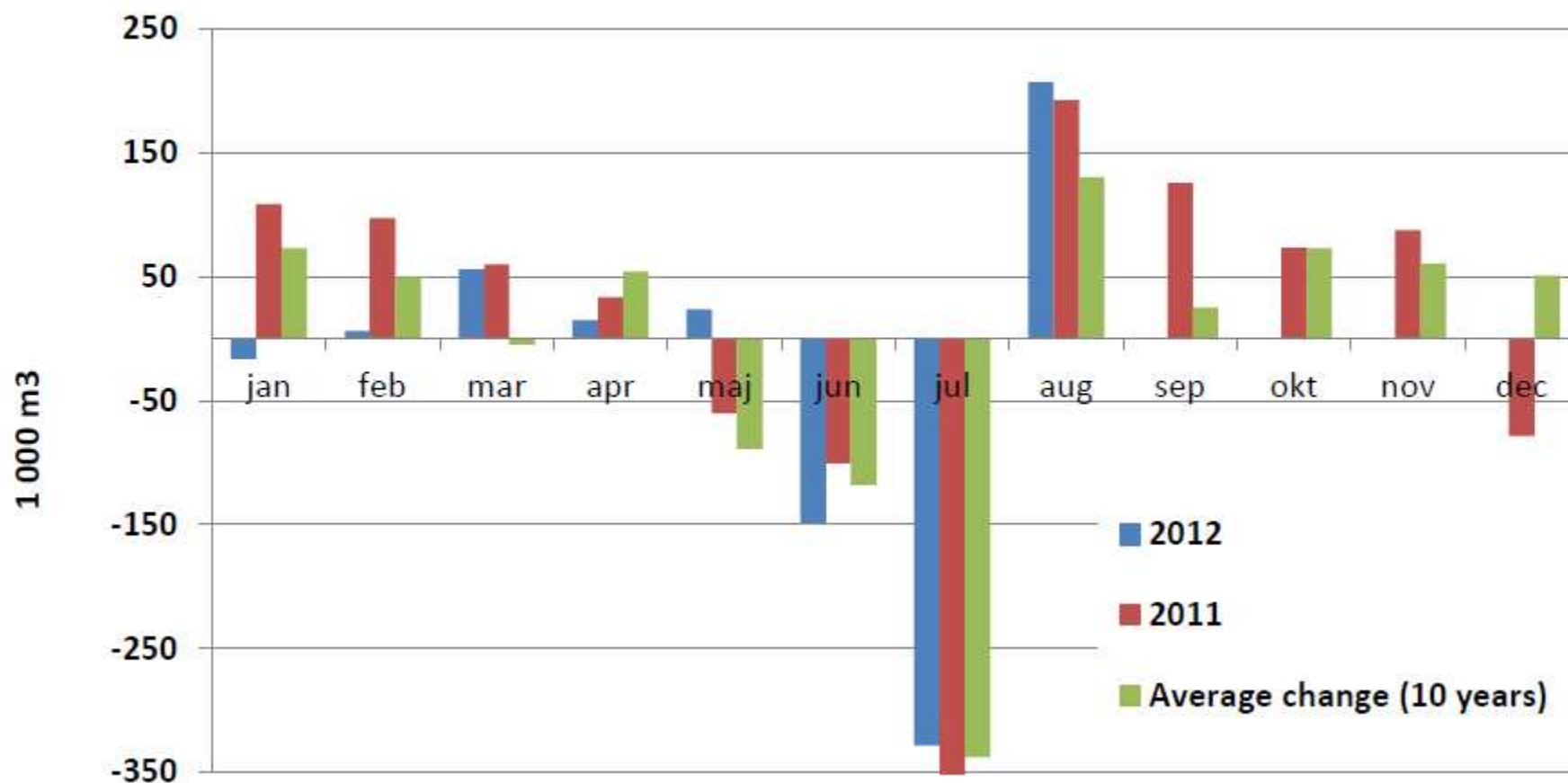
## Notes

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- Swedish production of Pine was up by approx. 5% Jan-August 2012 and Spruce down by 4% for the same period compared to 2011.
- Swedish production in August 2012 was unchanged against August 2011.

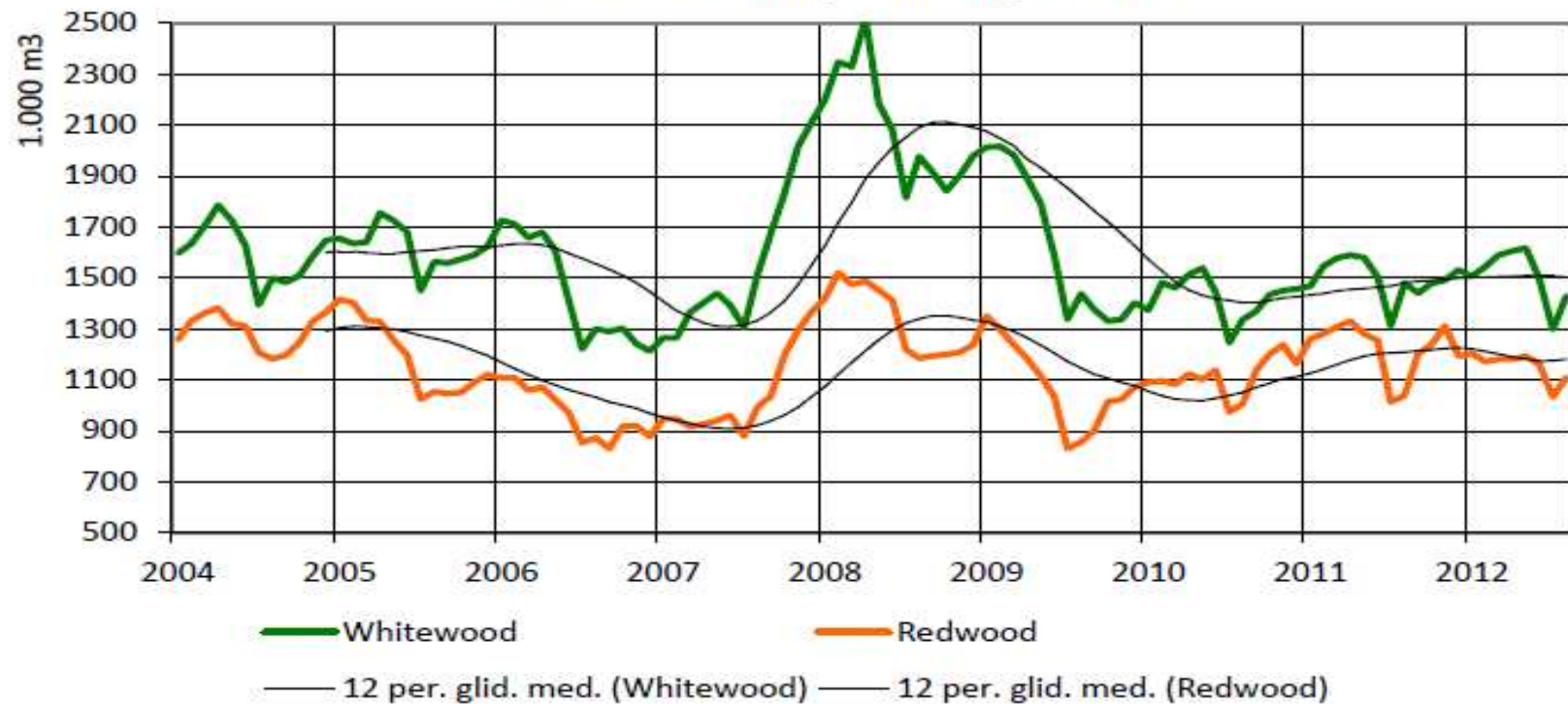
# Swedish inventories – relative to last year

Change in stock levels per month 2012 (blue bars) compared with monthly change 2011 and average change during the last 10 years.



# Inventory Trends

Stocks of sawn softwood at sawmills in Sweden. Redwood and whitewood. January 2004- August 2012.



## Notes

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- Inventories in Sweden are about 2% higher at the end of August 2012 than the same period last year.
- Redwood stocks were 9% higher and Whitewood stocks 3% lower than last year.
- Stocks of sawlogs were 5% lower at end of July 2012 than one month earlier, and 7% lower than the same period in 2011.

## Export sales to June 30<sup>th</sup> 2012 in figures

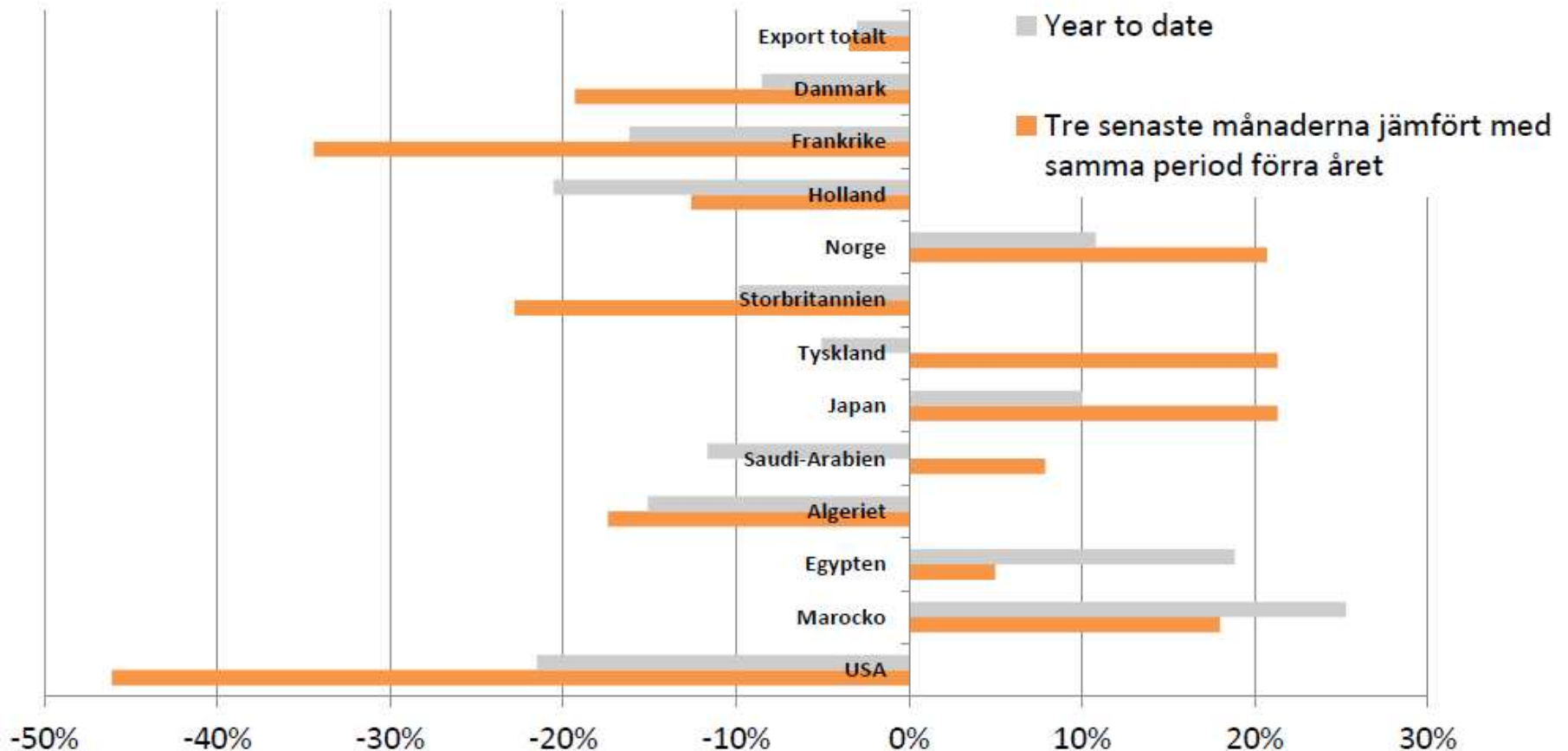
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- In 2012, Swedish export volumes to end June were 6.4 million m<sup>3</sup>, +4% on 2011
  
- Exports to Europe, 4.1 million m<sup>3</sup> (-1.6%) of which
  - ◆ 1.3 million m<sup>3</sup> to UK (+1.2%)
  - ◆ 602,000 m<sup>3</sup> to Germany (-4.8%)
  - ◆ 507,000 m<sup>3</sup> to Norway (+17.4%)
  
- Exports outside Europe, 2.3 million m<sup>3</sup> (+3.3%) of which
  - ◆ 1.4 million m<sup>3</sup> to North Africa/Middle East (+26.2%)
  - ◆ 401,000 m<sup>3</sup> to Japan (-0.6%)

# Swedish sales to main markets, order stock changes



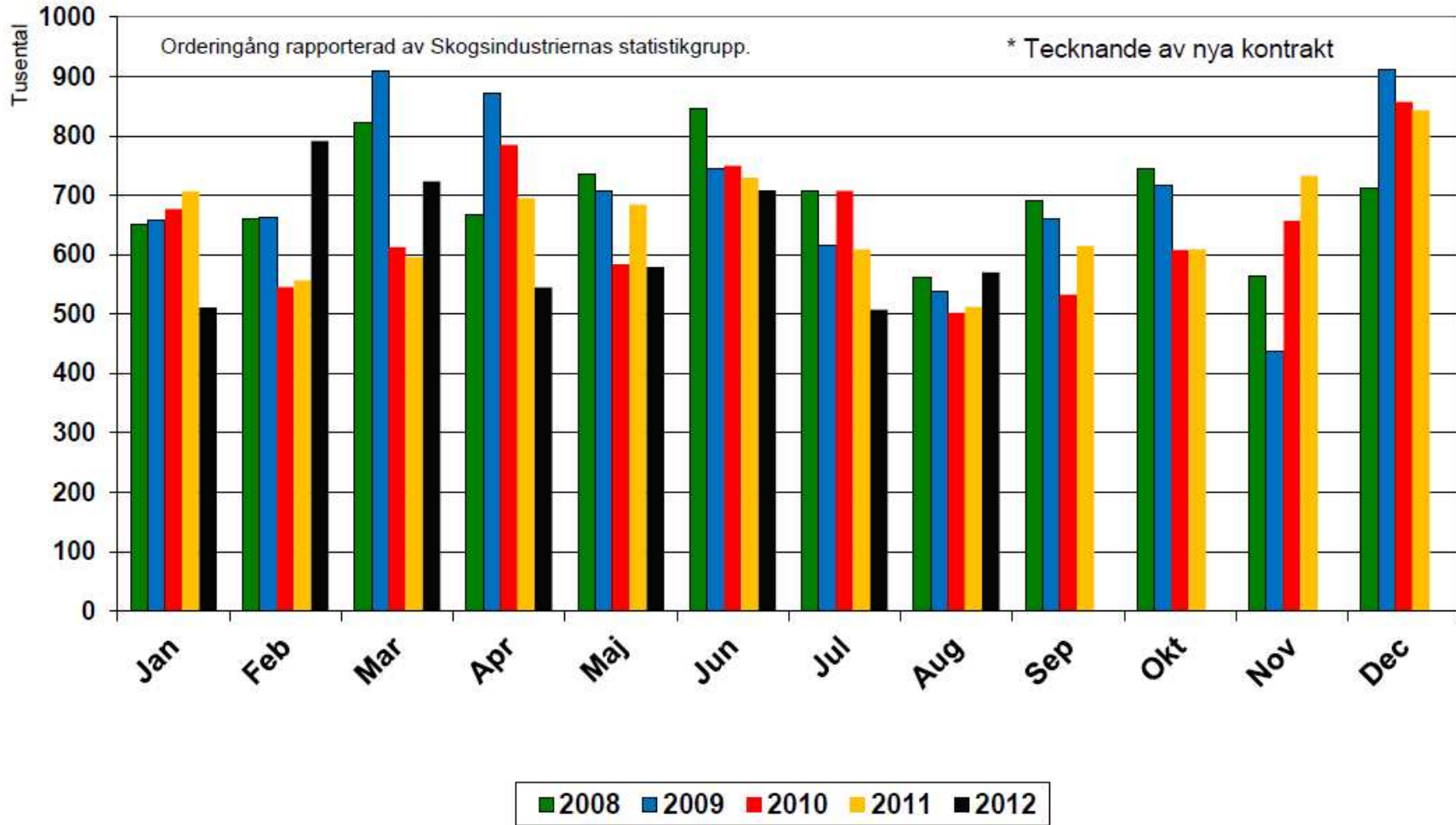
2012 - Förändring av orderingång jämfört med föregående år till de största marknaderna. Förändringen avser volym (m3).



# Flow of Orders – Export sales incl. Jan 2012



## Orderingång\* per månad, export från Sverige



## Prognosis for the rest of 2012 / 2013 ?

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- Production and Inventories still looking on the high side, particularly in Pine. Spruce coming back under control.
- Log prices are high in most regions but have started to fall back in some areas.
- European demand flat, with strong short term buying patterns – slight possibility of improvement in 2013.
- North Africa still seen as a good market going into 2013 at the moment.





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