



## New shelf factory: streamlined production

E-invoices become new trees

Gällö Timber – stronger together



## timber news

The inauguration of the Gorm shelving plant at TräTeam in Kramfors. Lars-Erik Fråge, Plant Manager at TräTeam, Linda Johansson, business developer IKEA, and Katarina Levin, Sawmill Manager at Bollsta sawmill.

Photo: Per-Anders Sjöquist

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SCA TIMBER is one of Europe's leading manufacturers of wood-based products, with an annual production of 2.1 million cubic metres. The product range is supplemented with service and distribution solutions for customers in the wood industry and builders' merchant sector.

SCA Timber is part of SCA's Forest Products business area, which produces publication papers for newspapers, magazines and catalogues, pulp and forest-based biofuels. SCA Forest Products also manages SCA's extensive forest holdings, supplies SCA's Swedish industries with wood raw materials and offers cost-efficient transport solutions to SCA's units.

TimberNews SCA Forest Products AB  
SE-851 88 Sundsvall  
tel +46 60 19 30 00  
www.scatimber.com

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# Together we become stronger

**Gällö Timber is a new player on the European solid wood products scene, but not an unfamiliar face. Gällö and Tjärnvik sawmills, both owned by Persson Invest, are well-known to solid wood product customers, and Jämtlamell's sawmill in Stugun has become an integral part of SCA Timber's sawmill operations.**

**B**y merging these units into a single company, and by working closely with SCA's various businesses, we are creating a structure that will be stronger in all respects, from raw materials supply and manufacturing to product development and our ability to give customers the best possible level of service.

The Gällö Timber and SCA sawmills are located in the same area of Sweden. It makes it easier for us to send the right material to the right sawmill, and to allow each sawmill to develop the best product mix based on its individual capabilities and the needs of the market. We will also be able to manage investment so that we enjoy the best possible production capacity.

**Since both companies' products** will be sold through SCA Timber's marketing organisation, we will be able to offer customers a larger total volume of solid wood products from a more flexible production organisation. Together, we should be able to become a more interesting partner than either of the companies could have been on their own.

The formation of Gällö Timber is but one step in an on-going and necessary restructuring of the sawmill industry in northern Sweden. Customers are demanding products that are more tailored and finished, usually in larger and larger volumes, in combination with flexible and frequently complex supply solutions. This imposes significant requirements on suppliers in terms of size, cost-effectiveness, technology and expertise. For smaller players,

it is becoming increasingly difficult to live up to these demands.

**By forging** a close collaborative relationship between Gällö Timber and SCA, we are creating an entity that is one of the five biggest solid wood product suppliers in Europe. But size isn't everything. Other factors must also be in place. We have just such competencies, both within SCA, where I have worked for many years, and within Gällö Timber.

Together, we will become the strongest solid wood products supplier in Europe.

Tommy Högberg

Managing Director, Gällö Timber



Tommy Högberg

Photo: Per-Anders Sjöquist



Ville Huittinen, Sawmill Manager at Tunadal, is looking forward to a higher level of production flexibility.

Photo: Per-Anders Sjöquist

## Investment in **Tunadal sawmill** to increase production and product quality

**Work will soon get underway on the construction of a new timber sorting facility at Tunadal sawmill. The project, which represents an investment of SEK 250 million, will significantly increase production flexibility.**

**A** very happy Ville Huittinen, Sawmill Manager at Tunadal, says that he has now received the green light for more investment in the sawmilling area of the plant.

The primary focus will be on a new timber sorting facility, but money will also be made available to increase drying capacity.

“The new sorting facility will significantly increase capacity and is set to be much more cost-effective than our current solution. We’ll also benefit from a higher level of production flexibility and be better equipped to satisfy customers’ wide and varied range of requirements,” says Huittinen.

“**The investments** now being made will make it possible to create a better and clearer product offering than we currently have. We will be able to offer length as one of our product parameters, which fits in nicely with how the market is developing.

In addition, we’ll also be able to lower our production costs. Both improvements are in line with SCA Timber’s strategic objectives and will improve Tunadal’s ability to compete in the future,” says Markus Henningsson, Product Manager at Tunadal sawmill.

**The groundwork** will begin during the autumn, with the first machines being installed in March. It is anticipated that the new facility will be brought online in July 2011.

The investment package also includes a number of new kilns. Some smaller scale investment will also be made in the sawmill building, increasing productivity and accessibility.

“It’s fantastic that we’ve managed to secure this investment. It’s something we’ve strived for ever since the new trimming mill was completed. With the new equipment, we estimate that we’ll be able to increase our workforce by about 15 people,” says Huittinen.

**Once production** gets underway after construction work is complete, Tunadal will be able to produce 500,000 m<sup>3</sup> of sawn solid wood products a year, compared to the current level of 350,000 m<sup>3</sup>.

“We’ve got a lot of hard work ahead, first with implementing the construction project and then by quickly getting production going,” says Huittinen.

Per-Anders Sjöquist



Markus Henningsson, Product Manager at Tunadal.

# Gällö Timber

## – stronger together



Photo: Per-Anders Sjöquist



Tommy Högberg, Managing Director for Gällö Timber.

Early in the summer, the Swedish Competition Authority gave the go-ahead for the formation of new sawmill company Gällö Timber AB. The company is a 50/50 joint venture between SCA and Persson Invest, and includes the sawmills in Gällö and Tjärnvik, as well as Stugun-based Jämtlamell.

“Our task is now to identify optimal working practices,” says Tommy Högberg, Managing Director, Gällö Timber.

#### Facts:

##### Gällö

- 52 employees
- Produces only spruce.

##### Tjärnvik

- 44 employees
- Produces primarily spruce and a small proportion of pine.

##### Jämtlamell

- 65 employees
- Produces both spruce and pine.

Gällö Timber is yet another step in what is already an extensive collaborative relationship between Persson Invest and SCA, both in terms of the sale of solid wood products and raw materials supply. The three sawmills have a combined production of 380,000 m<sup>3</sup> of sawn solid wood products.

“In our new organisation, there are three sawmill managers: Johan Olofsson for Gällö, Lars-Erik Jönsson for Jämtlamell and Jonas Bryngelsson for Tjärnvik. Jonas is also CFO for Gällö Timber as a whole,” says Högberg and continues:

“It’s important that we now become efficient, and the idea is for the sawmill managers to work in close collaboration. By being involved in all three units, we can make best use of their various competences and spark a cross-fertilisation of ideas. Gällö Timber is supposed to be a single entity with three sawmills, and so far I think that it’s going well.”

**Gällö Timber’s** sales and marketing organisation will now become part of SCA’s marketing organisation, which is headed by Anders Ek.

“Being able to exploit SCA Timber’s extensive sales organisation makes us stronger and extends our range of products,” points out Högberg. “Then, of course, there are a number of synergies to be achieved between the sawmills, particularly between Jämtlamell and Gällö, which are only a little over 40km apart. But we will be looking further at such considerations in the future.”

**This collaboration** will give the three sawmills a more stable timber supply.

“We have an SCA employee based here in Gällö who co-ordinates all timber supplies for Gällö Timber, ensuring that the right timber goes to the right sawmill whilst optimising logistics management. Timber supplies are managed by Primaskog, SCA, Jämtlamell Skog and Persson Invest. Since both Gällö and Tjärnvik sawmills were on shutdown for a time during the spring due to a raw materials shortage, this development makes the future look rosy,” says Högberg.

Misan Lindqvist

# Tjärnviks Trä

Its main markets are Sweden and the Netherlands. Spruce grown in northern Sweden is its raw material. A strong brand, a family feel and professional expertise are just a few of the reasons behind its success. Welcome to Tjärnviks Trä.



Photo: Thomas Ekenberg

**T**järnviks Trä is one of three units that have been forged together to make the new company Gällö Timber. The sawmill is located just outside the village of Gnarp in northern Hälsingland. At one end of the sawmill: locally sourced raw material – high quality spruce from northern Sweden. At the other end, sawn timber glistens in the autumn sun; square packages covered in white wrapping bearing the name Gallo in bold, green text.

**Tjärnviks Trä** specialises in spruce and a large part of its production, around 75 percent, heads to the Swedish market where it can be found in builders' merchants up and down the

country in the form of exterior cladding and construction timber.

“Being close to customers is our strength. From a logistics perspective, we can get products out quickly and efficiently. And being this close also helps strengthen our customer relationships,” says Sawmill Manager Jonas Bryngelsson. Kerstin Eriksson, Customer Services and Logistics Manager, echoes these sentiments.

“We have close relationships with many of our customers and engage in development work with them,” she says.

Industrial customers dominate the mill's other big market – the Netherlands. Products from Tjärnvik are used in cabin manufacture, door

frames and packaging. All products are sold under the Gallo name – a strong brand according to Eriksson.

“Gallo stands for quality, delivery reliability and customer service,” she summarises.

**The location** of the sawmill in Gnarp is more central than you might first believe. The main E4 road passes right by the mill and a few years ago Tjärnvik invested in a dedicated industrial rail line that connects to the main railway network to carry products out to the company's export markets.

Staff turnover at Tjärnviks Trä is low. Many of the company's employees have worked there for a long time.



The management trio at Tjärnviks Trä (from left): Leif Hedlund, Product Manager, Kerstin Eriksson, Customer Service and Logistics Manager and Jonas Bryngelsson, Sawmill Manager. Photo: Thomas Ekenberg

The corporate culture is firmly rooted – in a positive way, says Bryngelsson.

“We’ve got a really good culture here – lots of professional expertise and a desire to always think out of the box and continually focus on streamlining the plant,” he says.

A few years ago, the company made a major investment in a new automated trimming mill, and this autumn a new bark machine will be brought online.

**Product Manager** Leif Hedlund talks about the company’s ambition to focus on manufacturing.

“We want to focus on fewer products and larger production volumes. In the last five years, we’ve halved the number of products we produce. At present, we offer around 40 different sawn timber sizes,” he says.

Since the formation of Gällö Timber, the management trio at Tjärnviks Trä have all been given new responsibilities. They see many benefits in the merger.

“We already have a good and expansive collaborative relationship with Gällö sawmill, in which we have refined our roles and do what we are best at. Having Jämtlamell in the same

organisation will probably not create any major changes to begin with, but we may of course develop our collaborative relationship further in order to make the best possible use of each other’s resources,” says Bryngelsson.

**Gallo** previously had its own sales organisation, but the formation of Gällö Timber has seen SCA Timber’s sales staff become the conduit through which the company interacts with its customers.

“Using SCA Timber’s sales organisation gives us a significantly broader reach, with access to more sales channels on more markets,” says Hedlund.

The new organisation also provides customers with an expanded range of products.

“In the past, customers wanted certain timber sizes that we just didn’t produce. We are now able to offer many of these sizes via SCA’s sales organisation,” adds Hedlund.

“We also now have the muscle to be able to guarantee the raw materials flow, providing end customers with better delivery reliability,” says Bryngelsson.

Thomas Ekenberg

# BUSINESS comes o

Business efficiency is paramount in the UK, where the construction market is coping with a double helping of public sector spending cuts and their cumulative effects on consumer confidence.

To help the small to medium-sized builders amongst its customer base, UK national builders merchant Buildbase, part of the Grafton Group plc, has launched a special scheme with the help of SCA. For each builder taking up electronic billing, Buildbase plants 10 new trees. SCA offered Buildbase the use of part of its FSC-certified forest land for planting what is now known as the Buildbase Lifecycle Forest, situated in the Ljusåsen area in northern Sweden.

“Electronic billing saves cost and time as well as reducing waste,” comments Buildbase’ managing director Stephen Thompstone. “We’re thanking our customers with the planting of these new trees, and promoting a cycle of new growth.”

**SCA Timber’s** international marketing director, Anders Ek, adds: “Resource efficiency is a by-word at SCA, running through the supply chain from our forests to our finished wood products, delivered to Buildbase branches. We’re pleased to support the campaign for electronic billing, which in turn enables Buildbase’ customers to increase their own business efficiency.”

In the British construction sector, the drive for efficiency began twelve years ago with the publication of the report ‘Rethinking Construction’ by Sir John

# LESS EFFICIENCY

## out of the woods



The Buildbase-plants were planted in June 2010 in Ljusåsen, not far from the city of Sundsvall in Sweden. Henri Hang from Huljen Forest AB was one of the planters at the cutting area. Photo: Per-Anders Sjöquist

Egan. Since then, lean supply chains and ‘partnering’ – linking of specialist firms into a virtual business sharing opportunities, deadlines and profits – have become commonplace amongst larger business entities. Efficiencies are harder won for the small to medium-sized builder, whose time is more limited for organizing back-office systems. Electronic billing can therefore be a big contributor to the profitable operation of such firms.

### Buildbase’ managing director

Stephen Thompstone says the electronic billing campaign has been making great strides: “Already 150,000 documents have been sent electronically, further reducing waste

in the construction supply chain. Our likely annualised saving on this basis should be around 300,000 documents.”

As a direct result of Buildbase’ customers joining the scheme, some 11,000 trees were planted this summer by SCA Skog, getting the Buildbase Lifecycle Forest off to what Stephen Thompstone calls a “fantastic start”. He adds: “There are many more customers out there who could still join our scheme, and for each one signing up, a further 10 trees will be planted in the forest area that SCA has dedicated to us.” Details are available at [www.buildbase.co.uk](http://www.buildbase.co.uk).

“Buildbase and its customers are delighted to be doing their bit for the environment in this way,”

says Stephen. “As green issues are becoming a much greater consideration in our day-to-day business transactions, this is one way that we can make our own small contribution.”

**The trees planted** this season and in future seasons, will grow and absorb carbon until their maturity. They will be harvested in 80-100 years’ time, fulfilling their lifecycle as trees but starting a new lifecycle as wood products, and locking up CO<sub>2</sub> until their function or utility comes to an end. The carbon cycle can then be completed if the remaining wood is used for biofuel, making a final contribution by further reducing the need for fossil fuels. This, truly, is a ‘Lifecycle Forest’.

Camilla Hair



In February this year, Stephen Thompstone and Anders Ek visited SCA Bogrundet nursery to check on the new trees intended for the Buildbase Lifecycle Forest. Photo: Per-Anders Sjöquist



Using a highly competitive production set-up, SCA and TräTeam have now started the manufacture of IKEA's Gorm storage shelving. Lars-Erik Frage, Site Manager at TräTeam, Katarina Levin, Manager of Bollsta sawmill, and TräTeam's Sten-Åke Nyberg show off an example of the shelf. Photo: Per-Anders Sjöquist

# Shelf factory opened

## – set to produce a million shelves a year

The new factory for the production of IKEA's Gorm range of shelving in Kramfors was opened by County Governor Bo Källstrand at the end of August. In the factory, Träteam will put the finishing touches to solid wood products from SCA's sawmill in Bollstabruk, producing at least one million shelves a year. The factory is the culmination of an investment of SEK 35 million.

Gorm solid wood storage shelving is a fixture of the IKEA range, being popular amongst IKEA's customers for many years. SCA Timber and its subcontractor TräTeam have developed a production set-up that cuts costs in the chain from raw material to shop product, making it very competitive.

"This is a complex production facility and we have had to develop new automated solutions for both nailing and packaging," says Lars-Erik Frage, Site Manager at Träteam in Kramfors.

At SCA's sawmills, primarily in Bollstabruk, but also in Munksund, solid wood products of the right quality will be produced in specific sizes.

From Bollstabruk, the kilned products are carefully packed and

transported to TräTeam in Kramfors, where they are planed, scanned and cut to make shelf components. In the next stage of production, robots nail the components together to form shelf segments. Finally, these segments are passed to a state-of-the-art packaging machine where everything is flat-packed to include a bag of screws, instructions and all other requisites. The shelves are then distributed to IKEA stores, primarily in Scandinavia, the Benelux countries and Germany.

Approximately 45,000 cubic metres of pine timber are required.

"This represents 10 percent of Bollsta sawmill production," says Katarina Levin, Manager of Bollsta sawmill. "We've invested in and developed the business to a point at which we can adopt a complex production set-up like this one. There

aren't many sawmill companies that have the equipment, expertise and sufficient volume to handle such a system."

Ulf Johansson and Linda Johansson from IKEA were in attendance and took the opportunity to thank both SCA and TräTeam for allowing them to attend the opening of a new production line for an IKEA product in Sweden.

"We've seen a number of closures and cutbacks in the wood industry," said County Governor Bo Källstrand during the opening ceremony. "Where investment has been made, competitiveness has increased and future outlooks have improved, although this has been down to a more rational production process with fewer employees. So it's particularly pleasing to now be able to participate in the opening of an investment that will increase levels of employment and generate new jobs. The fact that this all centres on a well-known product that a leading Swedish company sells throughout the world makes it all the sweeter."

# SCA Timber Outlook

In August, the SCA Timber Outlook series of seminars offered representatives of Scandinavian customers insights into the competitiveness of the wood industry and the requirements imposed by builders' merchants on their suppliers. Participants were also given the opportunity to attend the opening of the new production line for the IKEA Gorm range of shelving.

The view over the river from the window of the Höga Kusten Hotel was magnificent and perhaps competed for the attention of the invited guests as they were welcomed to the seminar by SCA Timber's Managing Director Jonas Mårtensson.

The assembled audience included representatives from SCA Timber's most important customers from the Swedish wood industry and builders' merchant sector.

"We want these seminars to act as a conduit for establishing a dialogue and creating a point of information exchange with those customers we have close relationships with," explains SCA Timber's Marketing Director Anders Ek.

Mårtensson began the session by outlining SCA's supplier concept in respect of the Scandinavian wood industry and builders' merchant sector.

"We're currently offering product-adapted solutions to our industrial customers and highly evolved logistics for developed products destined for builders' merchants," was his message.

Recent examples of SCA's initiatives in these areas include the manufacture of window components at Munksund and the creation of SCA's BM Scandinavia division, to satisfy builders' merchant solid wood product supply requirements.

"Continual improvements creating better products, lower costs and more efficient distribution," was how Mårtensson summed up SCA Timber's strategy: "Our aim is to be world class."

**Staffan Brege** is Professor in Industrial Marketing at Linköping University. He claims that a characteristic feature of successful companies within the wood finishing sector is the fact that they work intimately with their customers, practice innovation and deliver what he calls 'operative excel-

## Focussing on good relationships and clear dialogue



Staffan Brege, Professor of Industrial Marketing, Linköping University.



Jonas Mårtensson, Managing Director, SCA Timber.



Olle Granath, Bygghmax.



Dick Bergh, Hedlunda Industrier.

Photo: Per-Anders Sjöquist

lence' – employing highly efficient practices. Brege also spoke about how relational marketing has become an important element of the day-to-day operations of successful companies, in addition to the drive towards achieving an ever higher level of added value.

"Good long term relationships between sawmills and their customers are pivotal in determining how successful a company will be in dealing with an increasingly competitive market landscape," he said.

**Olle Granath** from Bygghmax was next up to speak. Bygghmax is the fastest growing builders' merchant chain in Sweden, with 73 stores in three countries (Sweden, Norway and Finland). The company was recently listed on the Stockholm Stock Exchange. A well-functioning network of suppliers is essential in order to continue to achieve growth of 15 percent per year.

"We demand that our suppliers engage with us in a good and clear dialogue, prac-

tice efficiency throughout the entire chain, provide a high level of delivery reliability and present a neat and attractive product display for use in the store," he summarised.

The next item on the programme was on the theme "How do you work successfully with IKEA?". Dick Bergh of Hedlunda Industrier in Lycksele has 26 years' experience of collaborating with IKEA, with much of the raw material used being supplied by SCA. In his opinion, there are no shortcuts to success. Bergh talked about how he had turned what began as a one-man operation into what is now the biggest privately-owned company in Lycksele Municipality. He attributes this growth to a total focus on customers and their need for cost-effective wooden furniture, principally shelving, in large volumes.

"The right products at the right price at the right time – it's that simple," he concluded.

Mats Wigardt

# SCA at international wood trade fair IN NANTES

In June, SCA Timber France was one of the exhibitors at the popular Carrefour International du Bois wood industry trade show held in Nantes.

“All of the big players attended, so not only did we have the chance to meet existing and potential customers, we also met our competitors. Everyone was welcome to visit our stand and we pulled out all the stops to create a welcoming atmosphere that promoted our business relationships,” says Jacques Morand, CEO of SCA Timber France.

Across four exhibition halls, 10,000 visitors were able to listen to lectures and find out about the latest trends and product offerings from around 500 international exhibitors. Solid wood products, such as panelling, flooring, garden timber, construction timber and even more highly designed solid wood furnishing components with various finishes and decorative coatings were amongst the products on show.

A decorative wall with wide, horizontal panels, glazed or painted in a contrasting colour, was one of the furnishing trends highlighted. Many exhibitors were also showing cladding for houses.

The FSC and PEFC symbols were recurring motifs across all the stands at the show.

“We’re seeing an increased interest in FSC-labelled Scandinavian tree varieties compared to their tropical counterparts. At SCA, we



Benjamin Bodet, Product Engineer, and Jacques Morand, CEO of SCA Timber France, talk to visitors on the SCA stand.

have our own forest holdings and FSC certified raw materials are the foundation of our solid wood products. We have a further advantage in having a number of complementary businesses within SCA whose expertise we can draw upon – truly unique in the industry,” says Morand.

The fair, which is held every two years, is an important forum for the French solid wood products industry.

“This is the eleventh time the fair has been staged. It’s a good opportunity to listen to customers, to take stock of the market situation and see what’s going on around the industry,” concludes Benjamin Bodet, Product Engineer at SCA Timber France.

Text and photographs: Ingrid Löfqvist

## VIDA new partner in Uni4 Marketing

VIDA will be a minority shareholder in Uni4 Marketing – the leading Swedish exporter of sawn timber to the markets in Middle East and North Africa. The other shareholders in the company are SCA Timber, Holmen Timber, Södra Timber and Martinsons Trä.

The markets in Middle East and North Africa are very important, with a young population and a good growth, particularly in the housing sector. These markets are an important complement to the owner companies sales to existing main markets.

– Our target by buying a share in Uni4 Marketing is to get access to a very cost efficient sales organization for the growing markets in Middle East and North Africa, says Måns Johansson, MD VIDA Wood AB.

## Ad Dekker – new Sales Manager at SCA Timber Benelux



On 1 September 2010, Ad Dekker took up his new position of Sales Manager at SCA Timber Benelux.

He comes to SCA from a similar role at Gallo and will also be responsible for Gällö Timber’s solid wood product sales in the Benelux market.

Outgoing Sales Manager, Bert van Dael, has moved on to a new position as Senior Advisor at SCA Timber Benelux, a role that he will occupy until the end of the year.



## SCA TIMBER SUPPLY: Committed to waste reduction



UK-based SCA Timber Supply has joined its major customers in a campaign to reduce waste across the construction sector, organised by the government-backed organisation WRAP – the Waste Resources and Action Programme. The campaign aims to reduce construction waste by 50 percent from its level in 2008. Wasted and un-used construction materials are estimated to cost British business around GBP £1.5 billion every year.

“Everyone benefits from better use of resources,” says Rob Simpson, Managing Director of SCA Timber Supply. “We’ll be playing our part in the campaign by working with customers to seek further efficiencies in the wood products supply chain, from manufacturing to packaging and logistics.”

SCA Timber Supply is the first wood producer and the 55th supplier company to sign up to the British government-backed campaign.

Photo: WRAP, www.wrap.org.uk

# Increasing production outstrips consumption

**D**emand for sawmill products was good during the first six months of the year and prices have risen as the result of limited production. However, towards the end of the period there was a slow shift to a less positive scenario. The consumption of construction and renovation materials is being adversely affected by the second wave financial crisis we are seeing in several Mediterranean countries and the UK. At the same time, European sawmills have increased production.

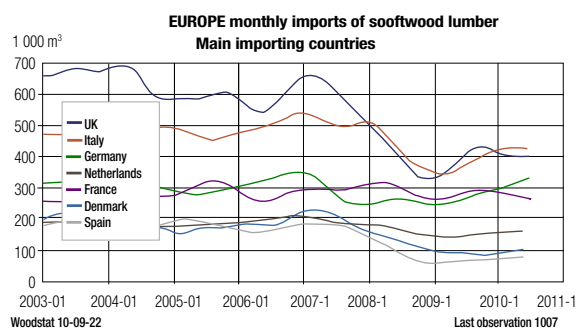
Having risen during the spring, price rises has since stopped. Customers are now looking at sawmills' ability to keep a rein on the prices during Q4 with a fair amount of scepticism.

House building is currently at what is a historically low level in both Europe and the USA. The expectation that there would be a change in the state of the market during 2010 has had to be put back to 2011 due to the economic imbalance being experienced in many countries. However, construction volumes continue to be good in the major markets in North Africa and the Middle East, as well as in many of the major Asian markets.

**Over the years**, renovation has evolved into the biggest outlet for solid wood products in Europe. National support programmes, such as Sweden's repair, rebuilding and extension (ROT) grant, have provided a stimulus for this and seen renovation activity boom on many of our markets. During the first six months of the year, builders' merchant sales in Germany were up 6 percent on the corresponding period in 2009. A similar trend has been seen in Scandinavia.

**During 2010**, production in the five biggest producing nations in Europe (Germany, Russia, Sweden, Austria and Finland) has increased from the very low levels of 2009. This increase, around 8 percent overall, is higher than the market can withstand.

The biggest production increase is being reported in Finland. During 2010, we have seen a shift in production in terms of the country's ability to supply industry with domestic fibre. Production levels for 2010 will therefore be around 25 percent above those for 2009, but 20 percent below the country's industry capacity, with the excess capacity being historically supplied by imported Russian fibre.

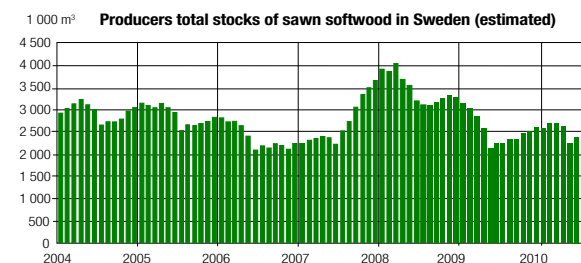
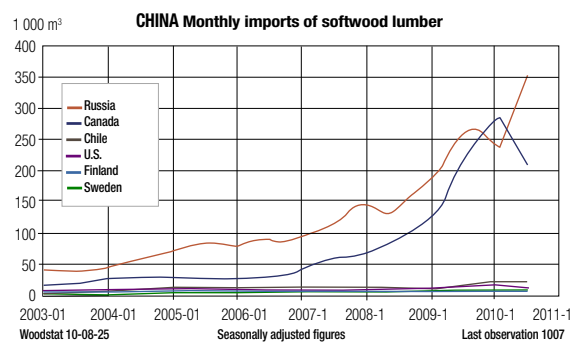


	2007	2008	2009	2010 est	Updated
Austria	11,3	10,6 -6%	8,3 -22%	9,1 +9%	Aug
Germany	24,0	22,0 -8%	19,8 -10%	21,0 +6%	Aug
Finland	12,4	9,8 -21%	8,0 -18%	10,2 +28%	Aug
Sweden	18,5	17,2 -7%	16,0 -7%	17,2 +8%	Aug
Russia	21,3	19,1 -10%	16,1 -16%	16,5 +2%	Jun
<b>Total</b>	<b>87,5</b>	<b>78,7 -10%</b>	<b>68,2 -13%</b>	<b>74,0 +8,5%</b>	
<b>Volume diff. (million m<sub>3</sub>)</b>		<b>-8,8</b>	<b>-10,5</b>	<b>+5,8</b>	

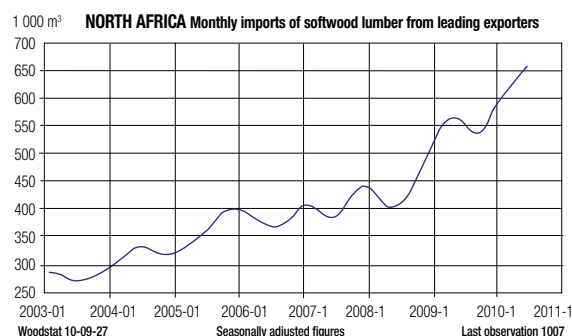
Increasing production volume during 2010. (Source: SCA)

De-stock  
of 2-2,5 mill  
in 2009

**Prices** of sawn solid wood products increased during the spring. However, this trend has ceased since the summer holidays. Sawmills have good order books for Q3, whilst the situation for Q4 remains more open.



Total sawmill stocks in Sweden, end of Aug.  
(Source: Swedish Forest Industries Federation)



A proportion of sawmill exports have been moved from Europe towards developing markets in Africa and Asia. (Source: Woodstat)

Anders Ek, Marketing Director, SCA Timber



The Hermione met her end when she ran aground and sank off the coast of Brittany in 1792. She is now being rebuilt in honour of French General La Fayette and the ties of friendship forged in the 18th century between France and America.

Photo: Ingrid Löfqvist

# The **Hermione** to set sail once more

**Some 2,000 French oaks have been selected to make up the little over 60 metre long hull of this three-masted ship. The multi-year project of rebuilding the frigate that La Fayette sailed to America has so far brought more than three million visitors to the coastal town of Rochefort in south-western France.**

In the spring of 1780, French General La Fayette embarked on a memorable journey when he took the Hermione out of the French port of Rochefort and sailed it to Boston in America. La Fayette had persuaded King Louis XVI and his court to provide military and financial support to American President George Washington in the fledgling country's battle for independence from Great Britain.

La Fayette has since become a symbol of freedom for the friendship he forged between France and America. To honour his memory, and after a few years of preliminary study, a passionate and committed team began work to reconstruct the Hermione in the summer of 1997. The plan is to take the imposing frigate and recreate La Fayette's voyage between Rochefort and Boston in 2013, making historical stops en route, then returning to Rochefort where the ship will become a permanent tourist attraction.

**Work on rebuilding** the ship is being carried out in one of Rochefort's dry docks as an open attraction year round for local people, school groups and tourists. The project is being financed to a certain extent by entrance fees paid by

visitors. In the shipyard, you can watch the Hermione being gradually rebuilt by skilled craftsmen such as ship builders, carpenters, wood carvers, rope makers and blacksmiths.

**Traditional** shipbuilding methods and sound craftsmanship have been employed as far as is practicable, but this has also been supplemented by modern technology and materials in order to ensure that the finished ship meets current statutory seaworthiness requirements. The frigate will also be equipped with engines and electricity for lighting and other comforts.

To find out more about the project, visit [www.hermione.com](http://www.hermione.com)

Ingrid Löfqvist