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SCA expands in Spain

In order to further strengthen its position in the Iberian peninsula, SCA is to invest approximately SEK 490 M in a new tissue machine and expanded converting capacity in Valls, Spain. The new machine is scheduled to go into operation in April 2007 and has an annual production of approximately 60,000 tonnes. SCA will by that continue to develop Valls as one of its important centres for tissue.

The Iberian tissue market is among the fastest growing in Europe with annual growth of approximately 4%. SCA is the largest player in consumer tissue with approximately one-third of the market. SCA's strategy is to provide the fast-growing national retailers with products for their own brands. In the Spanish market, for example, several of the national retailers are showing very strong growth with 10 – 20%.

A first machine in Valls has been in production since summer 2005. The plant has quickly reached the required capacity and efficiency utilization. The new investment will allow SCA to take advantage of the opportunities for continued positive growth in the Iberian peninsula by ensuring capacity and thus continuing to be a longterm player. The investment will also lower production cost significantly.

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