

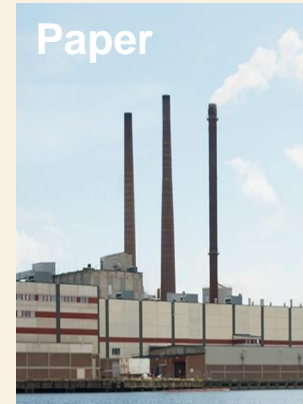
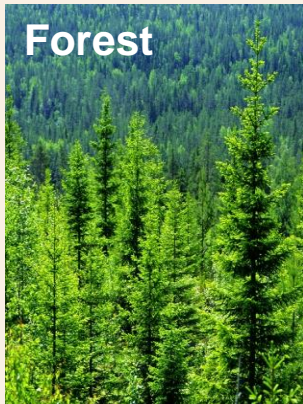
# **Swedish lumber export to North America**

**Mathias Fridholm, Vice President Marketing & Sales  
SCA Wood**



**A leading industrial  
ecosystem, driven by  
the force of the forest**

# SCA's operations

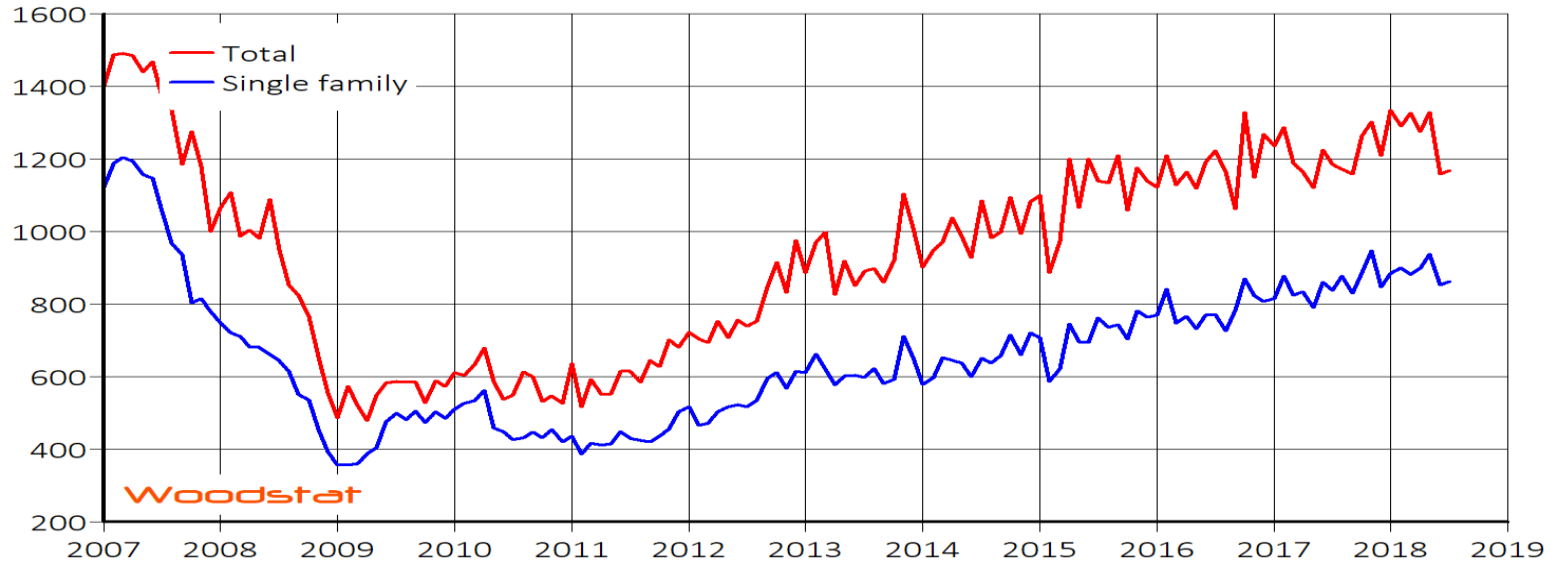


**How important is the US market for the Swedish sawmilling industry?**

# U.S. monthly housing starts

Seasonally adjusted annual rate

1000 units

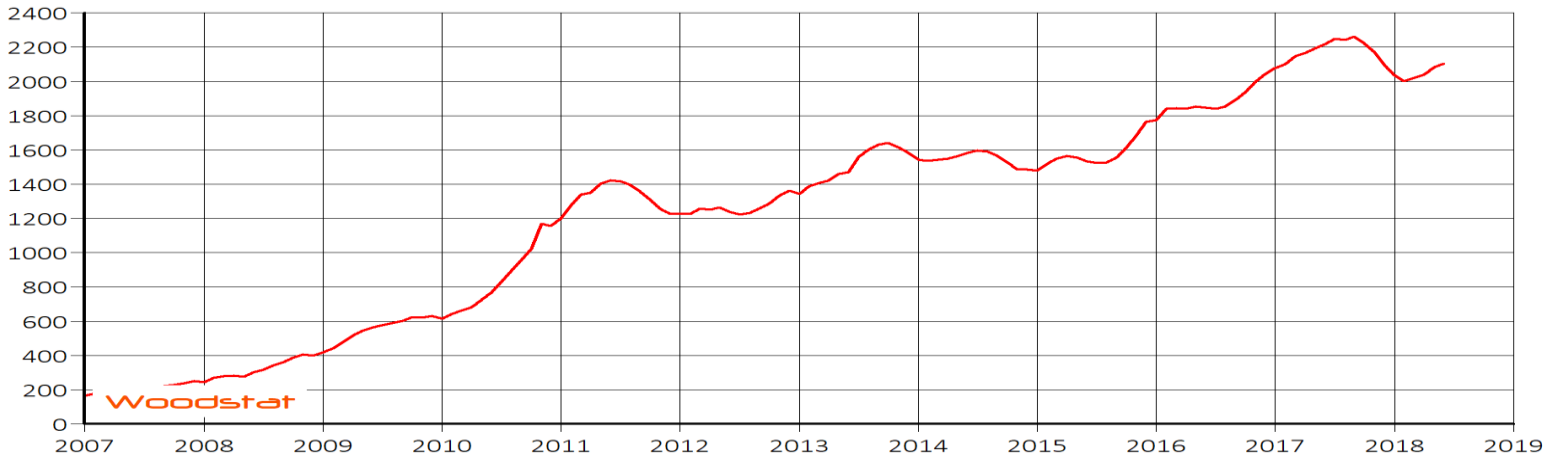


Source: U.S. Census Bureau

Last observation: Jul

# CHINA monthly import\* Softwood lumber from main exporters

1000 m<sup>3</sup>



Seasonally adjusted figures

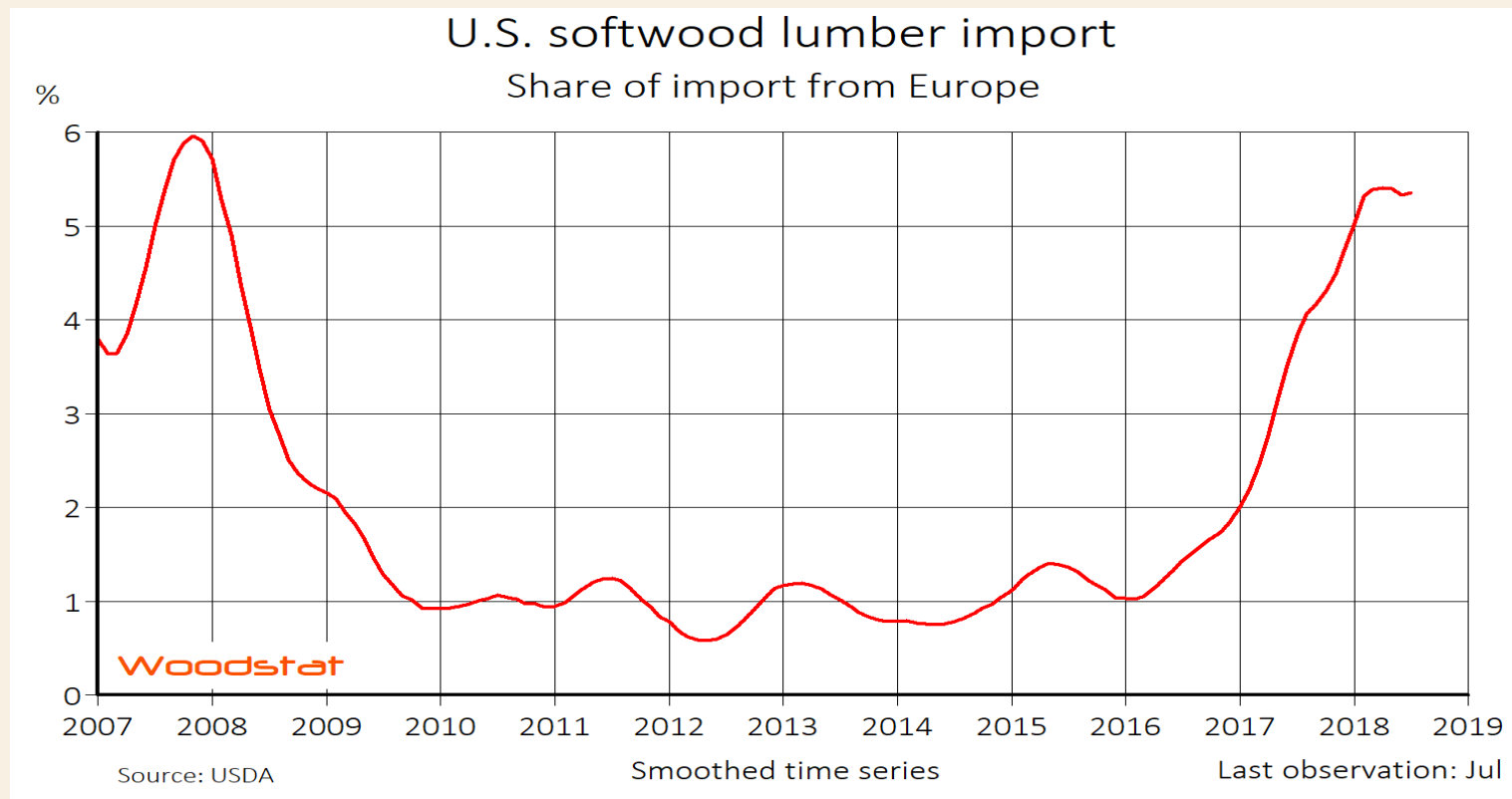
Last observation: Jun

\*Export figures from main exporting countries.

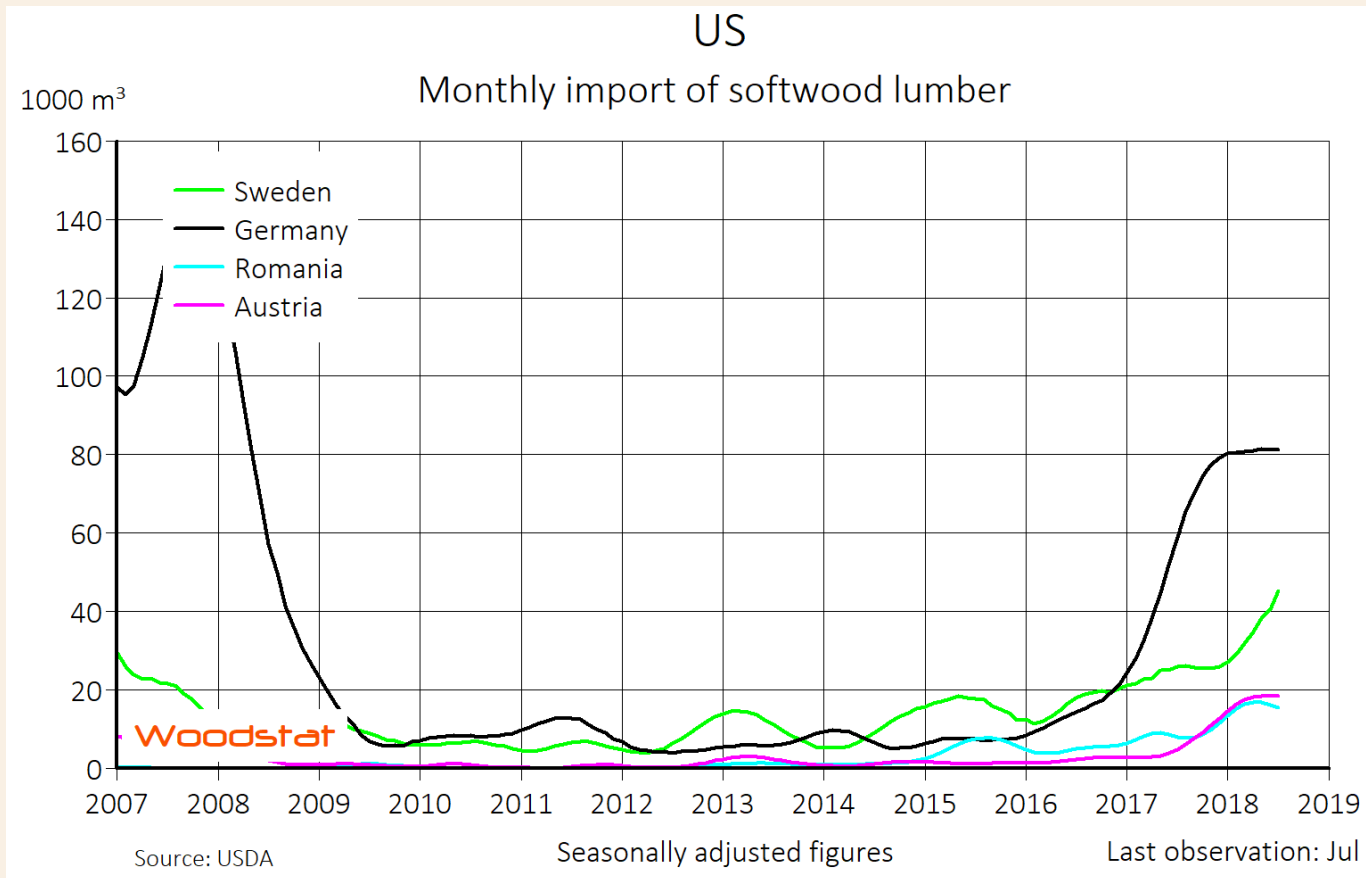
Sources: Eurostat, Russian Customs, USDA, Statistics Canada, Stats NZ, Ukraine Customs and other

# European interest in US market...

...varies but is high at the moment



# ... and Sweden is following the same trend

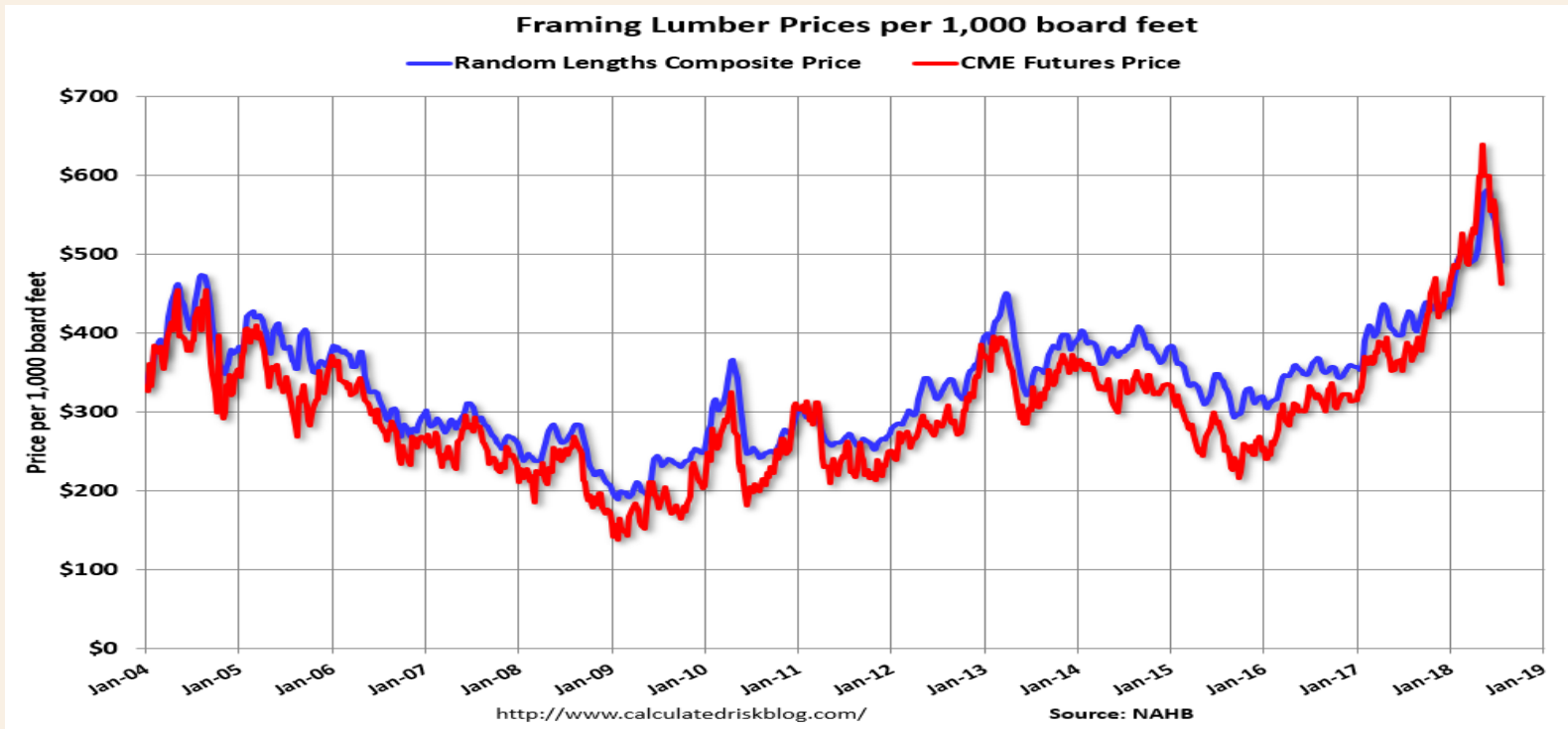


# One year perspective

US Import of softwood			
	Jan - july 2018	Jan - july 2017	2018/2017
Germany	541	232	+133 %
Sweden	303	235	+29 %
Austria	126	31	+307 %
Romania	122	63	+93 %
Russia	20	23	-10 %
Finland	17	11	+51 %
Canada	18 900	19 543	-3 %
Brazil	283	188	+50 %
Chile	178	229	-22 %
New Zealand	125	129	-3 %

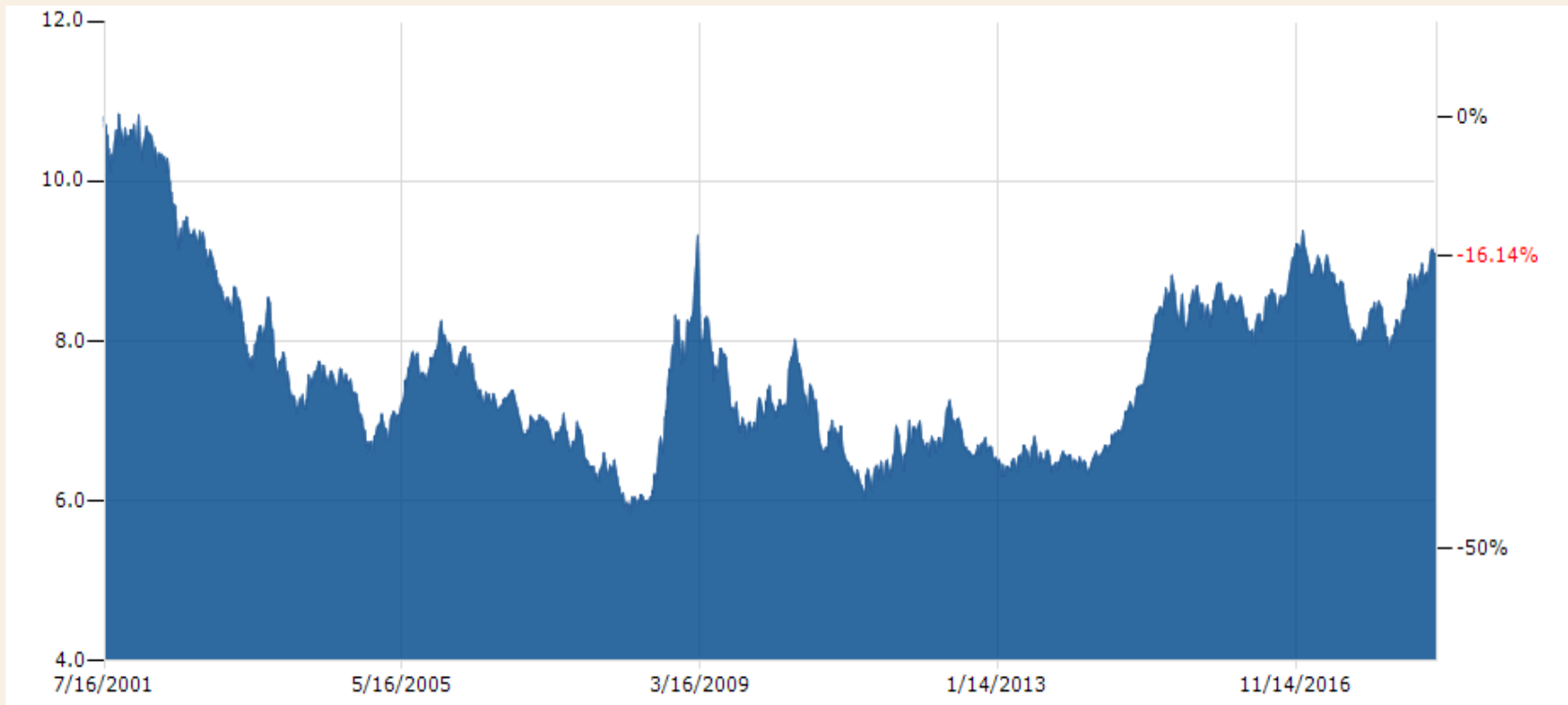


# Market price



# Currency

## SEK vs USD



# Two different kind of business

- Lumber yards or wholesalers
  - CLS (Canadian Lumber Standards) 2x4, 2x6 etc
  - High degree of flexibility, possibility to go in and out
  - Many suppliers
  - Standardized business
  
- Home improvement retail (HD, Lowes)
  - CLS or Boards (1x4, 1x6 etc)
  - Less flexibility with long term agreements
  - Fewer suppliers
  - Higher quality demand
  - Bar codes, JIT deliveries etc.



# Logistics



# What about the future?

- Continued fluctuating volumes depending on prices and currency
  - Housing starts – **continued strong development**
  - Canadian and US production – **Canada down, US up**
  - US-Canada trading tariffs
- Can Sweden deliver more? – **Swedish capacity is currently close to max unless we want to make significant changes in European customer structure**
- What will happen with construction market in Europe?
- Logistic cost for trucks in US
- Trade wars and tariffs?
- We don't understand the prices
  - USD per thousand board feet ... what is that in SEK per m3....



Thank you!

