

# Press Information



**AssiDomän**

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## **AssiDomän consolidates its sack operations in Belgium**

AssiDomän has decided to concentrate its sack operations in Belgium at AssiDomän Multisac in Poperinge. As a result, AssiDomän intends to close AssiDomän S&M in Vilvoorde. All 63 employees at the Vilvoorde plant will be affected by the proposed closure and negotiations will begin immediately with trade union representatives.

Closure of the plant is expected to be completed by 30 June 2000. Operations at AssiDomän S&M, and some machinery, will be moved to AssiDomän Multisac.

Weakness in the European market for paper sacks has led to excess capacity and strong pressure on prices. The decision to concentrate the Belgian sack production at the Poperinge site is part of the ongoing restructuring of the sack operations within AssiDomän.

AssiDomän Multisac, which has 93 employees, produces 42 million sacks per year, while AssiDomän S&M produces 25 million sacks a year. Both are too small on their own to be profitable. Of the two sack plants in Belgium, AssiDomän Multisac, which is modernized with new machinery and a new production hall, is considered to have the most potential for development.

*AssiDomän is one of Europe's leading forest product companies with manufacturing focused on packaging paper, packaging, sawn timber products and wood processing. In 1998 the Group had sales of 2,500 million euros and 17,000 employees.*

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