

AssiDomän shuts down operations at Starwood, Vimmerby

Following MBL negotiations, AssiDomän has now decided to terminate its activities at Starwood by selling the company. If this is not successful, operations will be shut-down in the spring. In 1996, turnover was approximately SEK 21 million with 20 people employed.

In 1994 AssiDomän acquired BRH Trä AB, along with its subsidiaries, BR Hemmingson Trä AB in Hamra and Starwood AB in Vimmerby. The sawmill activities of AssiDomän Hemmingson Trä have expanded greatly since the acquisition and remain unaffected by the changes at Starwood.

Since starting in 1993, Starwood operations have been directed towards 'finger-jointing' and 'steam-gluing' for the window industry in Germany, Sweden and Holland.

It has proved very difficult for the operation to achieve a reasonable level of profitability. Previous growth in the German window market has stagnated, and rapid production expansion in countries with lower labour and raw-material costs has led to increasing competition. This has had a strong downward effect on prices. The strengthened position of the Swedish Krona against the German Mark has also had a negative effect on revenue.

Last year's performance did not lead to an improvement in the situation with respect to Starwood achieving set targets.

AssiDomän Skog & Trä AB
7th of March 1997

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