



# Forest industry production

## Production in Finland in January-March 2007

**Forest industry production in Finland was up approximately 2 % in January-March 2007, compared with the year before. Growth was even faster for sawn wood and panel products, averaging 5%.**

### Paper and paperboard production up 2%

European demand for most grades of paper and paperboard strengthened in the first quarter of 2007. Production of paper and paperboard in Finland increased by about 2% compared with the year before and totalled 3.6 million tons. Production of printing and writing papers remained unchanged, while production of other paper grades - such as packaging papers - as well as paperboard grew by more than 5%.

### Pulp production down 3%

Production of chemical pulp was about 3% lower than the year before and was also lower than in the previous quarter. This was mainly due to an occasional shortage of raw materials.

### Growth in sawn wood production

The market situation in the sawmilling industry remained good in the first quarter. Demand for sawn wood strengthened and in Finland production increased accordingly. In January-March production totalled 3.3 million cubic metres, which was about 4% more than the year before.

### Plywood production on a high level

Demand for plywood was strong on all markets in the first quarter. Production in Finland remained on the high level recorded in the fourth quarter of last year, amounting to 380,000 cubic metres. This was about 6% more than the year before.

### Improvement in profitability

The main Finnish forest industry groups had a combined turnover of about 9 billion euros in the first quarter. This accounts for over 90% of Finnish forest industry companies' combined turnover originating from units both in Finland and in other countries. Combined turnover was up 2 % compared

with the year before. Growth was affected by restructuring of some operations and shut down of some production lines.

Finnish forest industry companies' profitability improved compared with the year before but still fell short of the targets set by the companies. In the first quarter of 2007 the return on capital employed averaged 8,6 %, compared with 5,8 % year before. The rising wood and energy costs hurt profitability, as did the weakening of the dollar in relation to the euro.

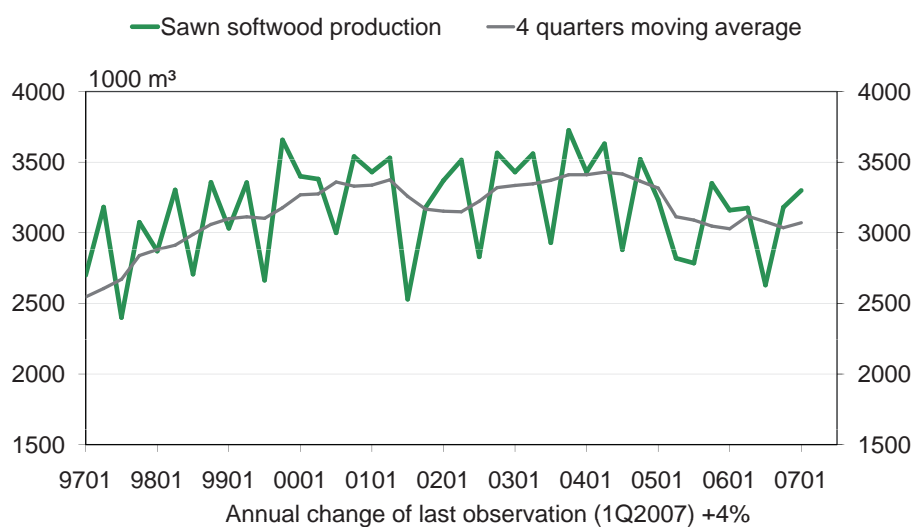
Profitability in the wood product industry improved substantially due to higher sales prices and was better than in the branch on average.

27.4.2007



Finnish Forest Industries

## Sawn softwood production in Finland quarterly

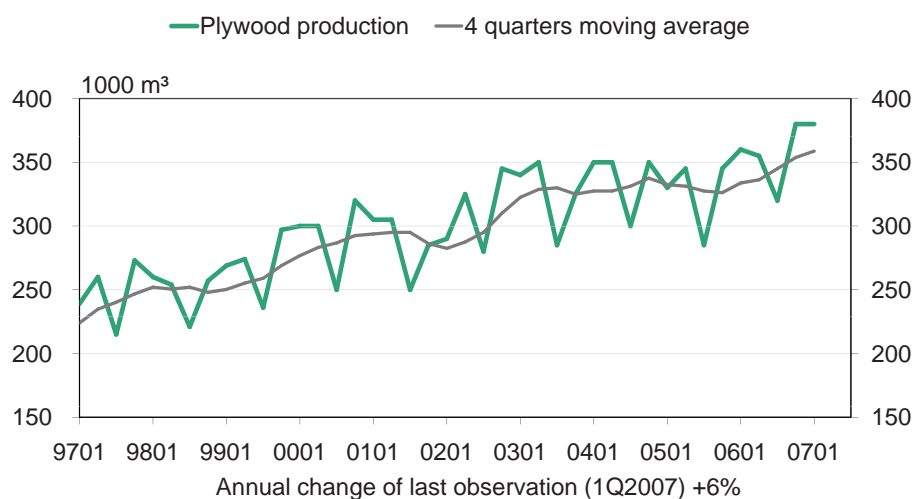


26.4.2007

SOURCE: Finnish Forest Industries Federation

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## Plywood production in Finland quarterly

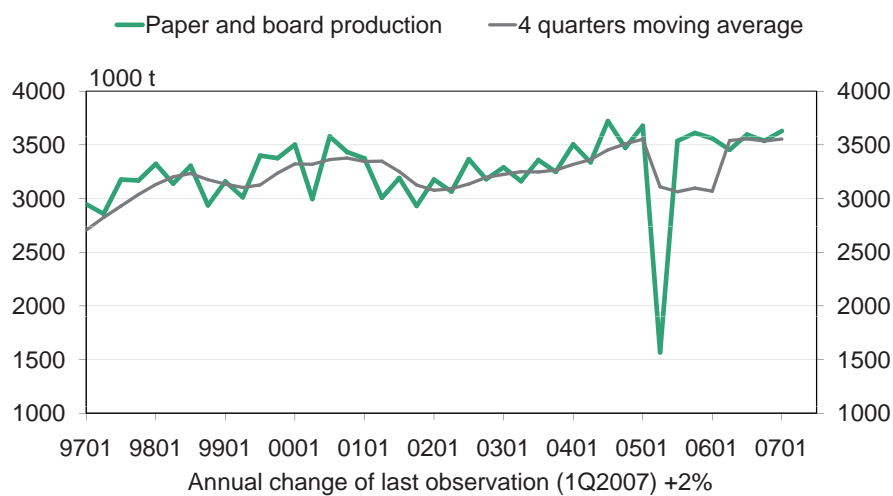


26.4.2007

SOURCE: Finnish Forest Industries Federation

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## Paper and paperboard production in Finland quarterly



26.4.2007

SOURCE: Finnish Forest Industries Federation

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## Forest industry production in Finland in January-March 2006 and 2007

	Unit 1000	2006	2007	Change%
Sawn softwood estimate	m <sup>3</sup>	3160	<b>3300</b>	4
Plywood estimate	m <sup>3</sup>	360	<b>380</b>	6
Sulphate pulp	tons	2045	<b>1976</b>	-3
Paper	tons	2815	<b>2842</b>	1
printing and writing	tons	2465	<b>2472</b>	0
mechanical printing and writing (incl. newsprint)	tons	1696	<b>1701</b>	0
woodfree printing and writing	tons	769	<b>771</b>	0
other paper	tons	350	<b>370</b>	6
Paperboard	tons	745	<b>787</b>	6
<b>TOTAL PAPER AND PAPERBOARD</b>	tons	3560	<b>3629</b>	2

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SOURCE: Finnish Forest Industries Federation

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