



11 September 2014



SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP



Softwood Fiber Based Forest Industry in the Nordic Countries

Hakan Ekstrom

The pulp and paper industry in the Nordic countries has started to see a new dawn with a growing demand for pulp and paper products made from long wood fiber from the vast conifer forests in Northern Europe. Just over the past few months, there have been a number of announcements in investments made by forest companies in Finland, Norway and Sweden totaling close to three billion dollars, as reported in the Wood Resource Quarterly (WRQ).

The primarily end-products will be softwood market pulp and virgin fiber-based container board, but major investments are also being consider in increasing the utilization of forest biomass for energy on a larger scale. Although the investment decisions have not been finalized for all projects, these ruminations are a sign that the forest industry in this part of the world sees the future in a much brighter light than just a few years ago.

In addition to the investments in the pulp and paper industry, there has also been an announcement that the Swedish forest owner federation Sodra, together with the Norwegian energy company Statkraft, Europe's largest producer of renewable energy, intends to establish a biofuel conglomerate at the site of the now closed pulp mill in Tofte, just south of the capital Oslo.

In Finland, Metsä Fiber has plans to invest 1.5 billion dollars in a plant that will produce softwood pulp, renewable bioenergy and what the company categorizes as "various biomaterials".

Some of the factors that have placed softwood fiber in a new positive light are: limited investments in the establishments of softwood plantations worldwide, favorable global supply/demand balance for softwood pulp over hardwood pulp, (if you are a pulp manufacturer), increased demand for packaging material requiring wood fiber with high strength, and a rise in research in new products made from trees, sometimes as substitutes to non-renewable materials such as plastic and metal.

These recent developments in the Nordic countries may very well be the beginning of the biggest transformation of the softwood fiber-based forest industry we have seen in decades, not only in Northern Europe but in other regions of the world as well where coniferous forests is the dominant forest-type.

Wood Resources International LLC
P.O. Box 1891, Bothell, WA 98041, USA



Phone: +1 425 402 8809

E-mail: hekstrom@wri-ltd.com

Richard P. Vlosky, Ph.D.

Director Louisiana Forest Products Development Center

Crosby Land & Resources Endowed Professor of Forest Sector Business Development

Room 227, School of Renewable Natural Resources

Louisiana State University

Baton Rouge, LA 70803

Phone (office): (225) 578-4527

Fax: (225) 578-4251

Mobile Phone: (225) 223-1931