

# SCA Soft Wood Lumber Markets in China and South East Asia

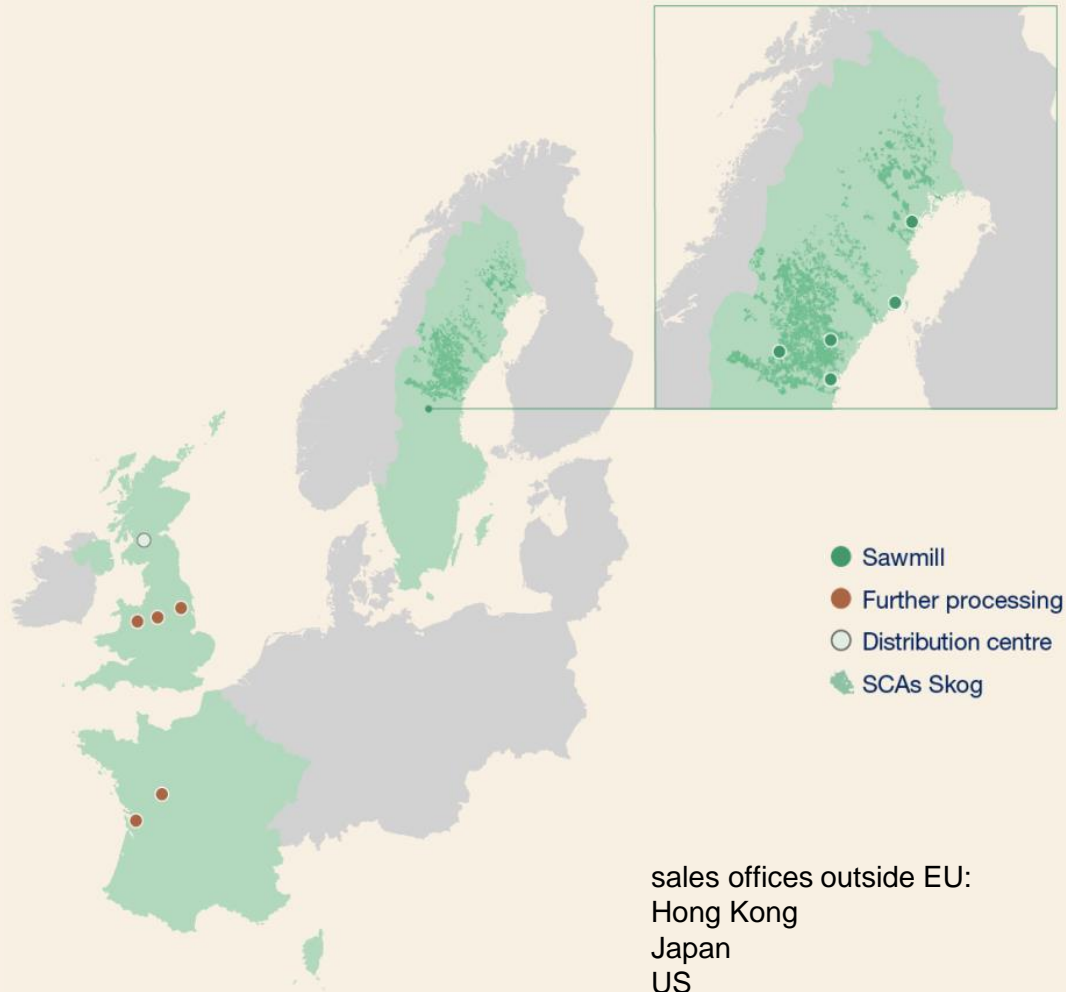
ISC 2020

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# SCA Wood



**2,6 Million hectares of forests in North Sweden.**

## 5 Sawmills in Sweden

Bollsta: Pine sawmill, planing, pressure-treatment,

Gällö: Co owned Spruce sawmill

Munksund: Pine sawmill, planing, Finger jointing

Rundvik: Spruce sawmill, planing

Tunadal: Spruce sawmill, planing, coating,

**2,2 Million m3 sawn timber capacity**

**Sales office for China and South East Asia in Hong Kong.**

# China

Soft wood Lumber Import in 2019 was 27.7 Million m3. First half year of 2020 decreased 10%.

GDP +3 % in Q2. A return to growth .

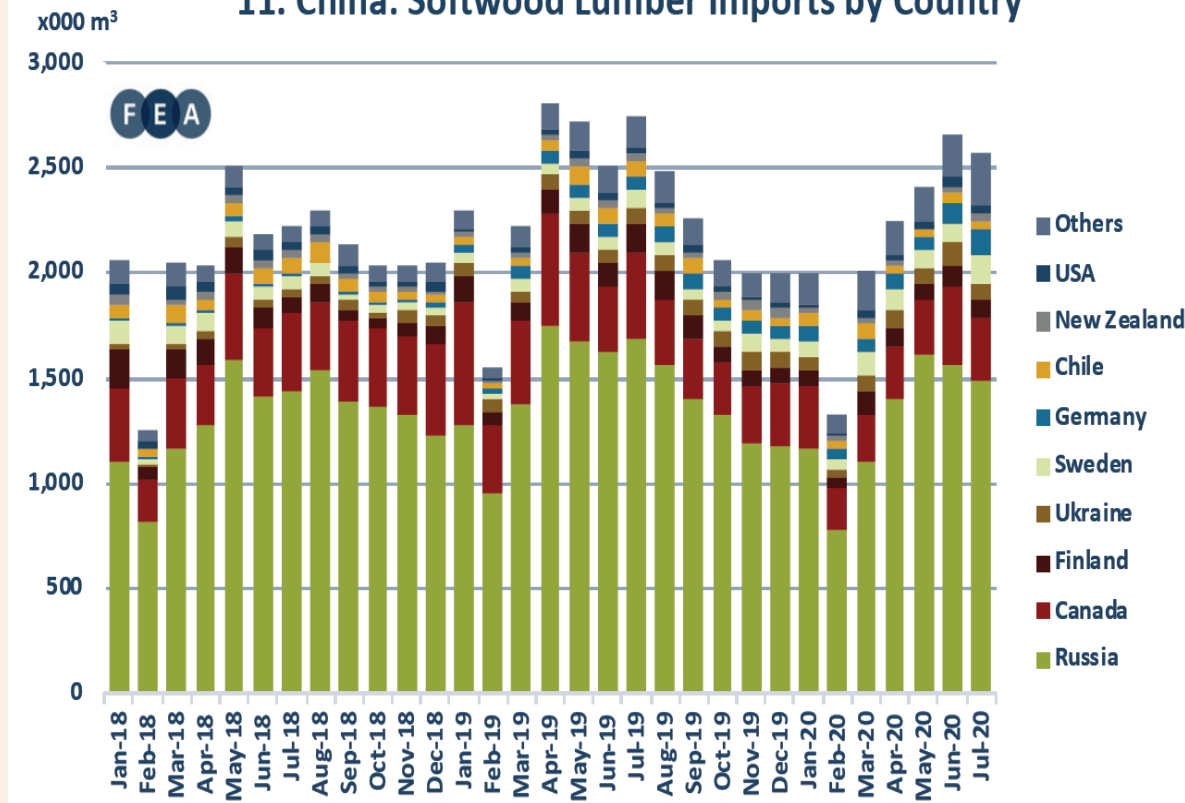
Domestic consumption slow recovery. Key driver for growth ahead.

The Central Government direction:

- Technological innovation.
- International cooperation by ^high-level opening up^.
- Reforms for demand-driven supply and supply-created demand.



11. China: Softwood Lumber Imports by Country



# Chinas Furniture and Interior Decoration Market

**Furniture export down 6% first half year, but improving now.**

**Export long term effect of rising labor cost, trade tariffs?**

**Domestic retail furniture sales down 25%, but strong online sales.**

**Soft wood decreasing trend in visible furniture components.**

**No DIY tradition , but Home decoration strongly growing trend in China.**





# Chinas soft wood construction market

Building market slowing down on high level.  
Infrastructure projects delayed in first half year.

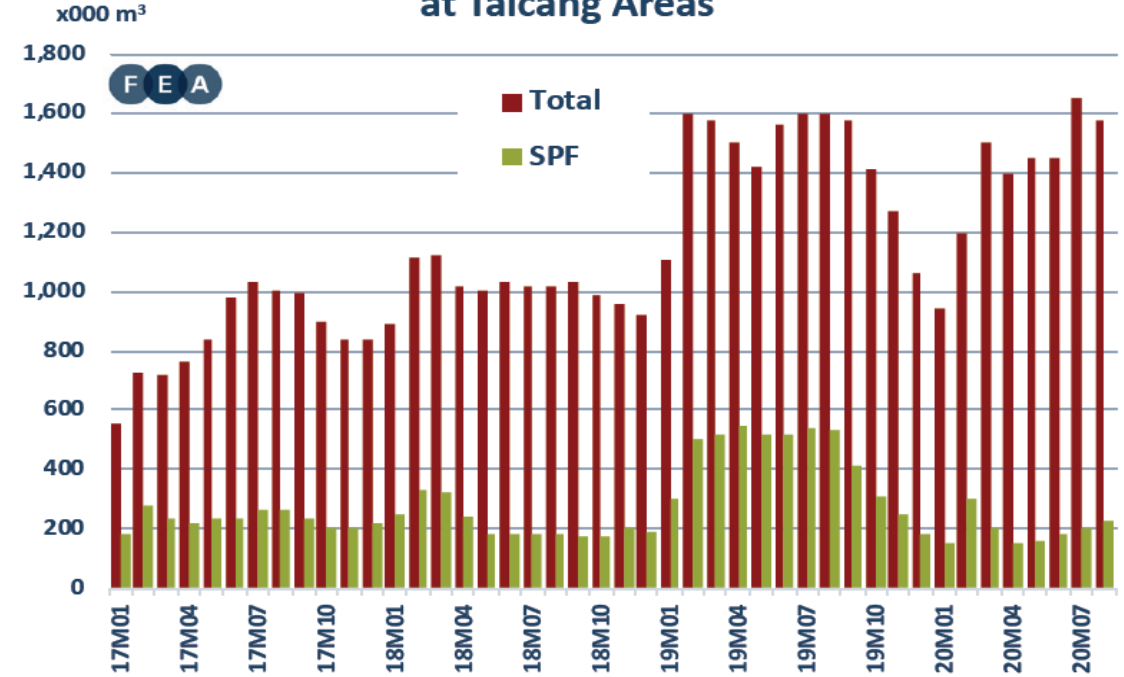
Taicang soft wood lumber stock on high level last 2 years.

Spruce and Pine lumber have increased versus SPF .

Import of Beetle logs big impact.

Growing market for Strength graded timber.

China: Softwood Lumber Inventory  
at Taicang Areas



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Bobsleigh Center at Winter Olympics 2022

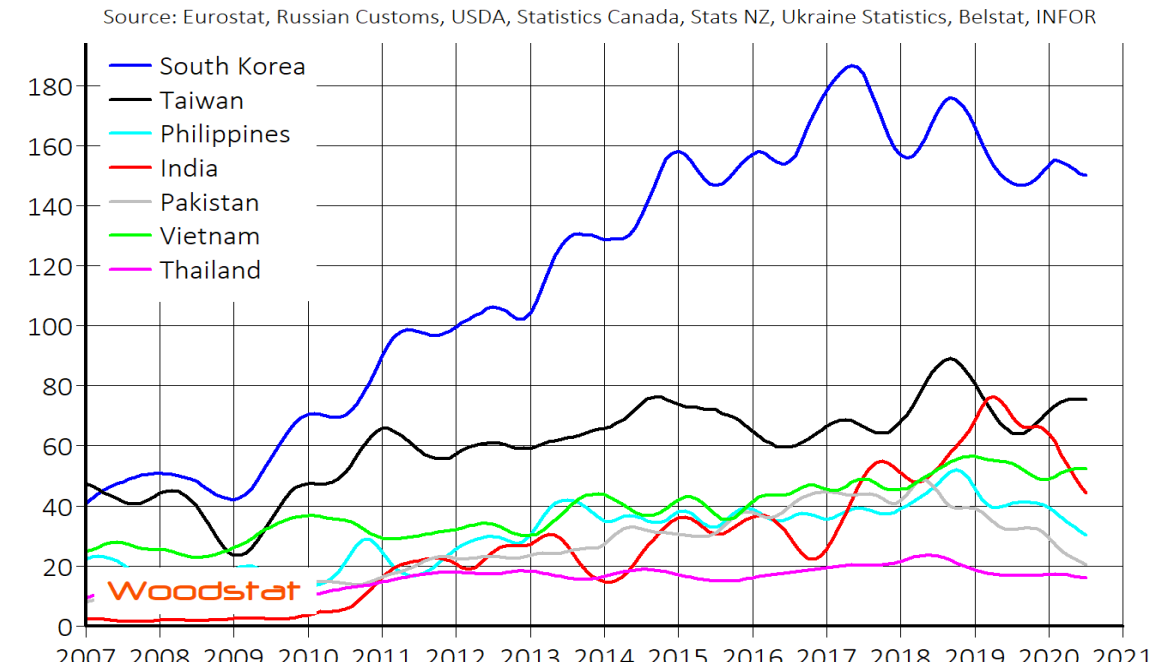
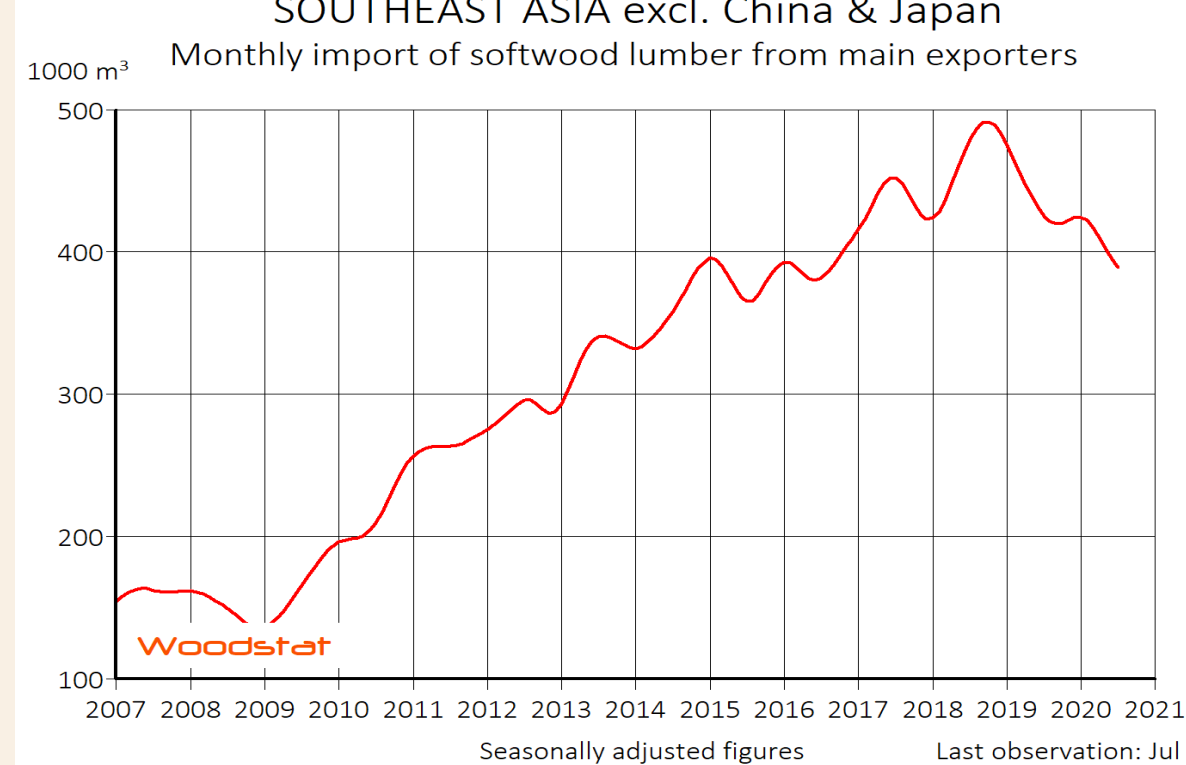


# South East Asia Soft Wood Lumber

The import 2019 in the top six countries was 5.2 million m3.

Taiwan only country with growth 2020 vs 2019

Biggest after China is South Korea with a strong development 2009 to 2017.



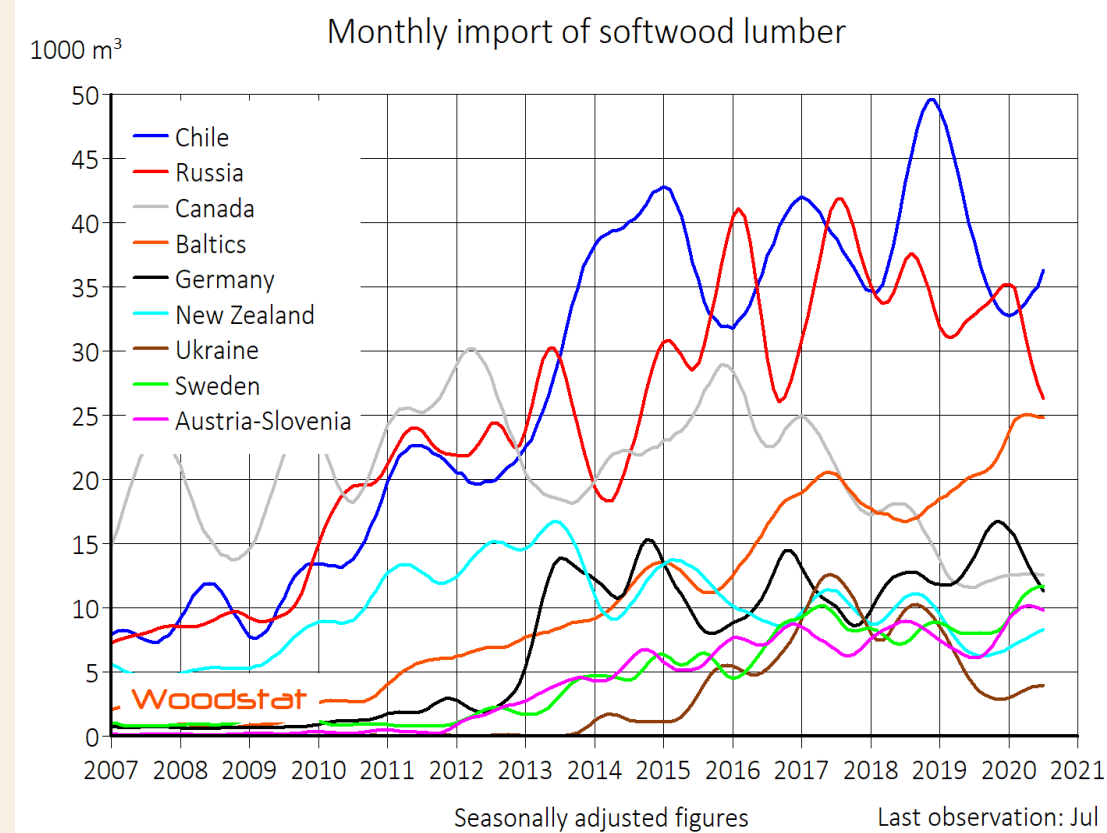
# South Korea

**GDP -3 % in Q2 - recession risk in 2020.**

**Importing 1.8 million m<sup>3</sup> in 2019. Decreasing trend since mid 2017.**

**Weak Packaging Material market. Pallet customers in export industry slowly picking up.**

**Weak Building market. Strict rules for estate loans give limited new house programs.**



Source: Eurostat, Russian Customs, USDA, Statistics Canada, Stats NZ, Ukraine Statistics, INFOR



**Hangreen, a five-story wooden structure example of new trend of eco-friendly construction in South Korea**



# Vietnam

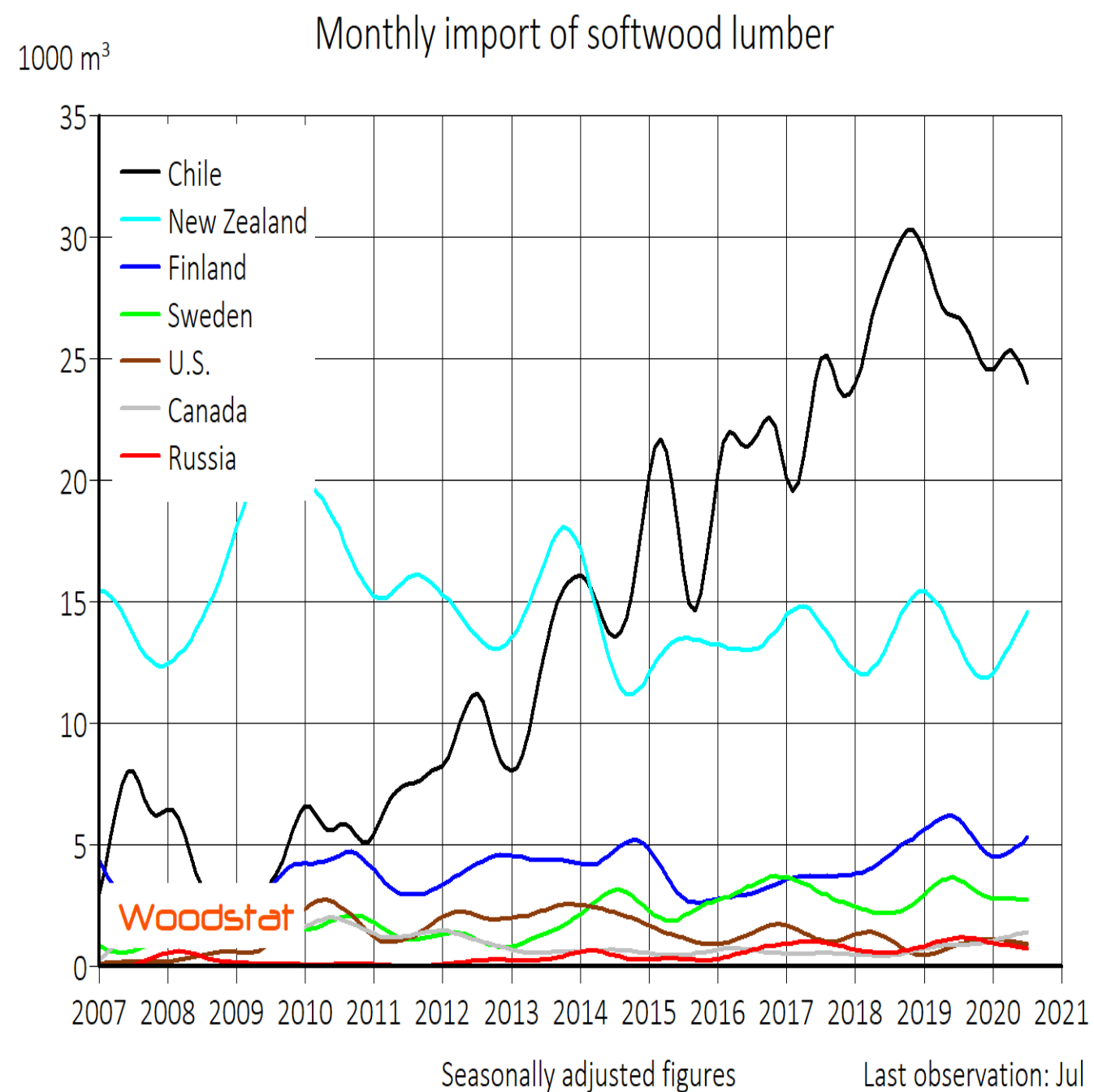
**Importing 630.000 m<sup>3</sup> in 2019. Small but stable demand.**

**Traditionally a Radiata market.**

**Economic growth in 2020 thanks to:**

- good domestic demand
- high foreign investments
- strong manufacturing sector

**Effect on exporting soft wood Industry?**



Source: Eurostat, USDA, Statistics Canada, Russian Customs, Stats NZ, INFOR





## **Trends favoring European Soft Wood Lumber in China and South East Asia**

**Eco and Health -  
Awareness**

**Design combined  
with affordability**

**Home  
Improvements**

**Online E-commerce**

**The Majority of the World Population. A fast growing Middle Class with Purchase Power.**



***How to create ^higher level of demand-driven supply and supply-created demand^ on the Asian Lumber markets?***

- Learn more about the Customer conditions
- Customize the Lumber
- Add Value to Products
- Improve Logistic Services
- Influence Regulations





# Thank you!

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