

Nordic sawmills market presence in the MENA region

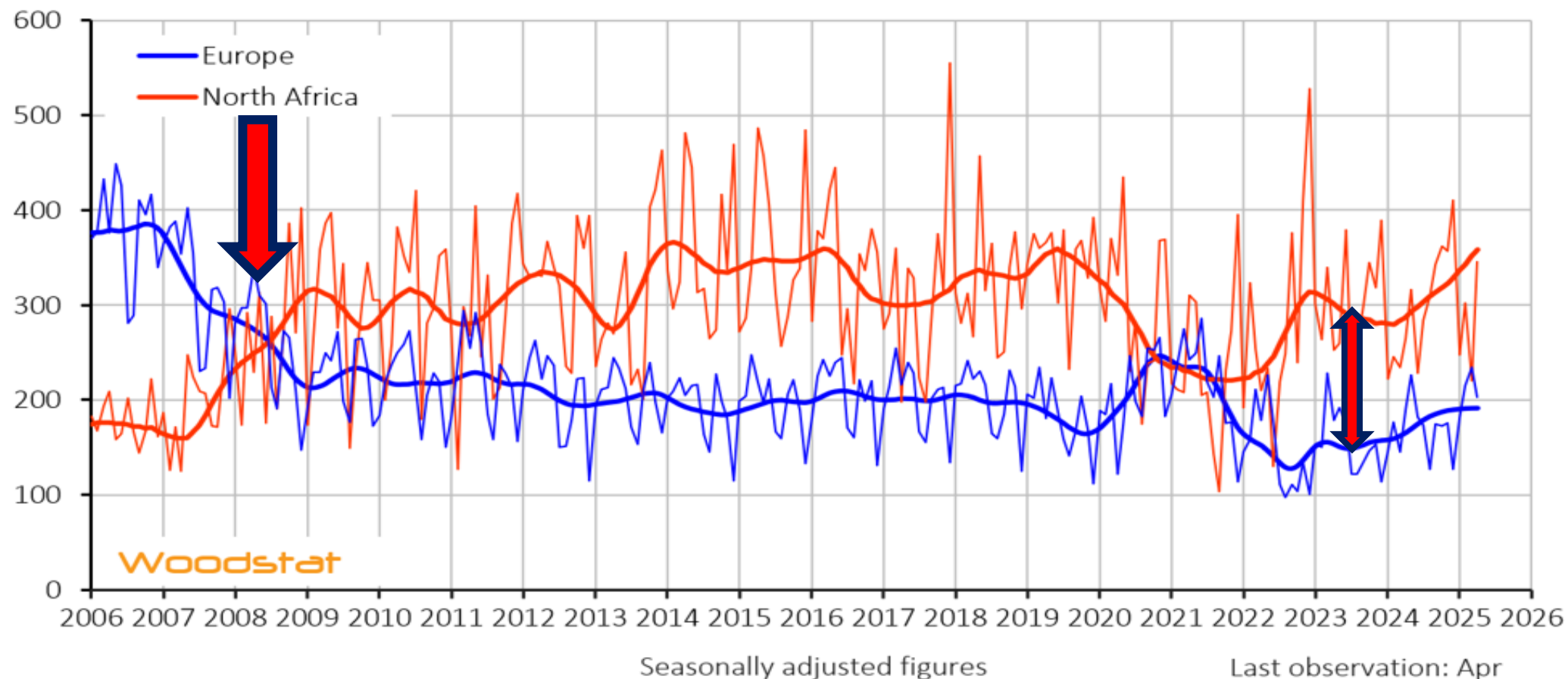
– What are the driving forces?

*Erik Eliasson
Norra Timber, Sweden.*

Sweden & Finland monthly export of pine lumber to main European markets & North Africa



1000 m³



Source: SCB, Finnish Customs. Including sawn+planed pine, excluding S-P-F (new assortment from 2022).

9 Facts about the MENA-region

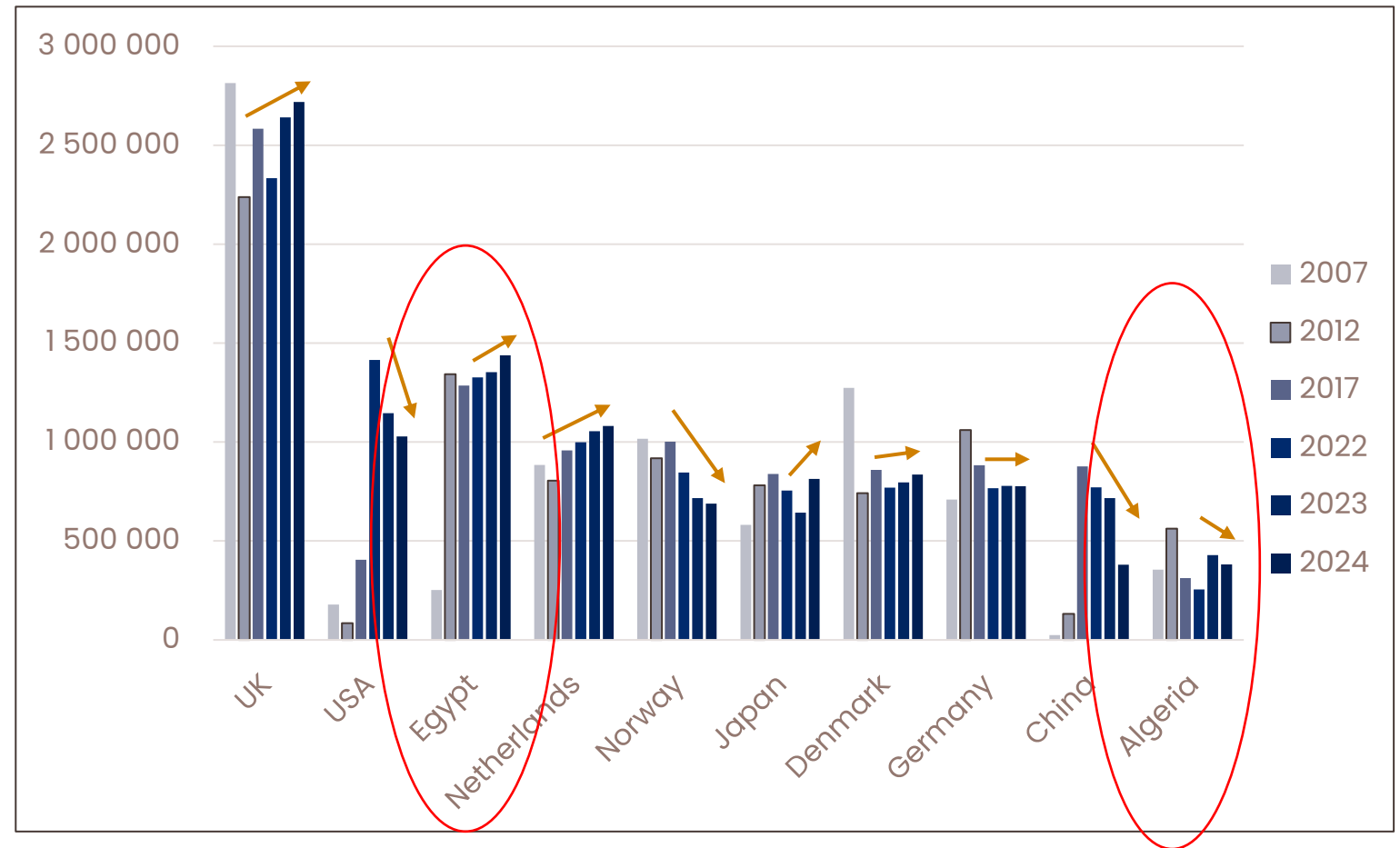


- ❑ 22 countries
- ❑ Total population : ~ 500 million (Europe 750 million, China and India 1,4 billion each)
- ❑ About 50% of the population are younger than 26 years old
- ❑ Average life length 76 years and population is growing with 1,6% per year
- ❑ Only 2% of the area is covered by forest (Scandinavia 70%)
- ❑ MENA-region has about 60% of the Worlds oil-reserve and 45% of the gas-reserve.
- ❑ Unemployment rate in whole region is appr 20% among the younger the population, but it is 28% in North Africa
- ❑ GDP 2,7%, Inflation 9,8% (Egypt 14-15%) Central Bank interest rate average 8,1% (Egypt 21%)
- ❑ MENA Construction sector is estimated to continue to grow fast. Provides stability in the region! Growth appr 4%



Swedens biggest export markets

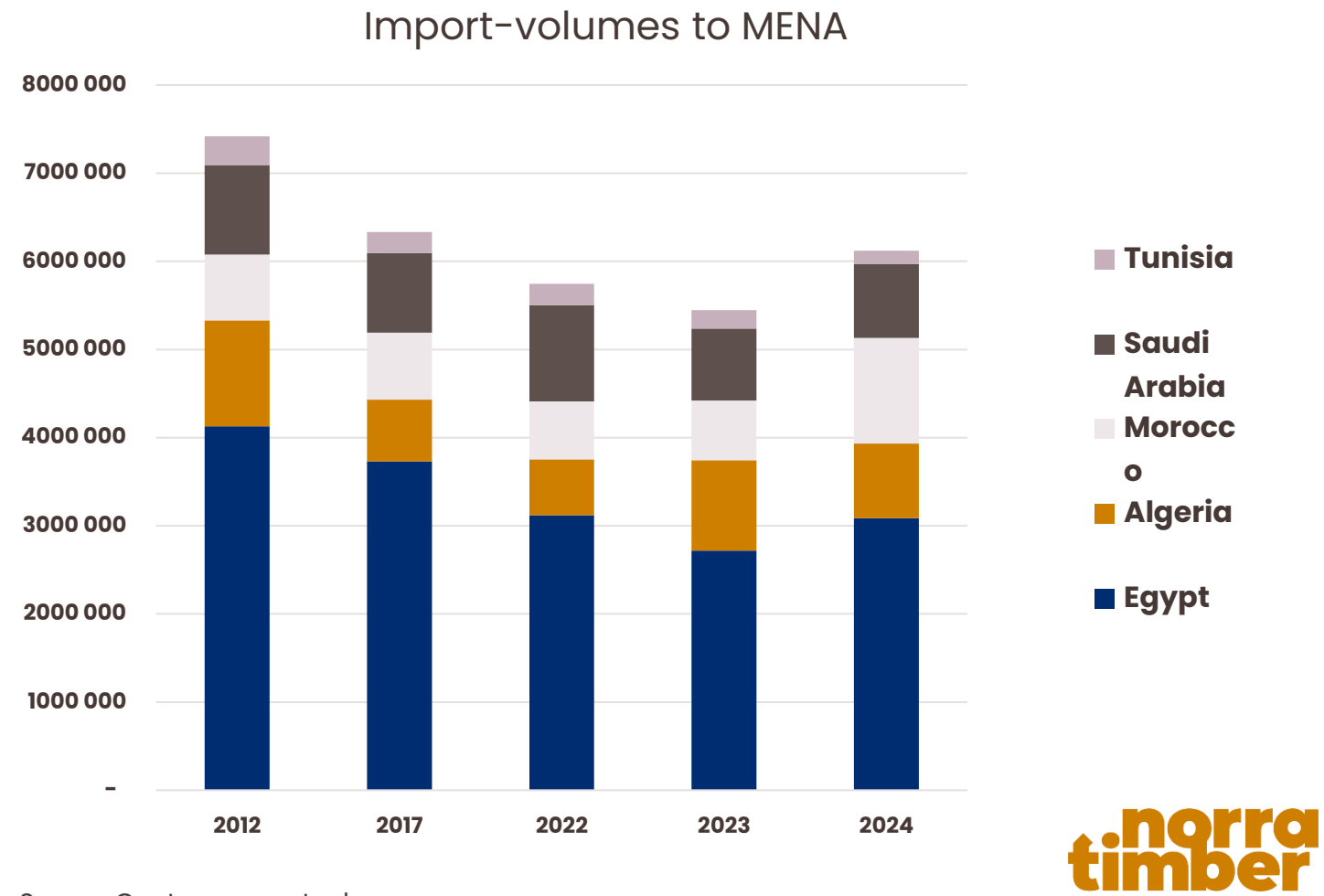
2007, 2012, 2017, 2022, 2023 and 2024



Source: Swedish Forest Industrys, Svandata, Danske Bank



Total import major MENA major countries 2012, 2017, 2022, 2023, 2024 major producers



What is softwood used for? Handcraft is cheap

- Doors and windows
- Furniture
- Shuttering & Concrete Forming
- Scaffoldings
- Block boards
- Pallets & Packaging
- Economy Roofing





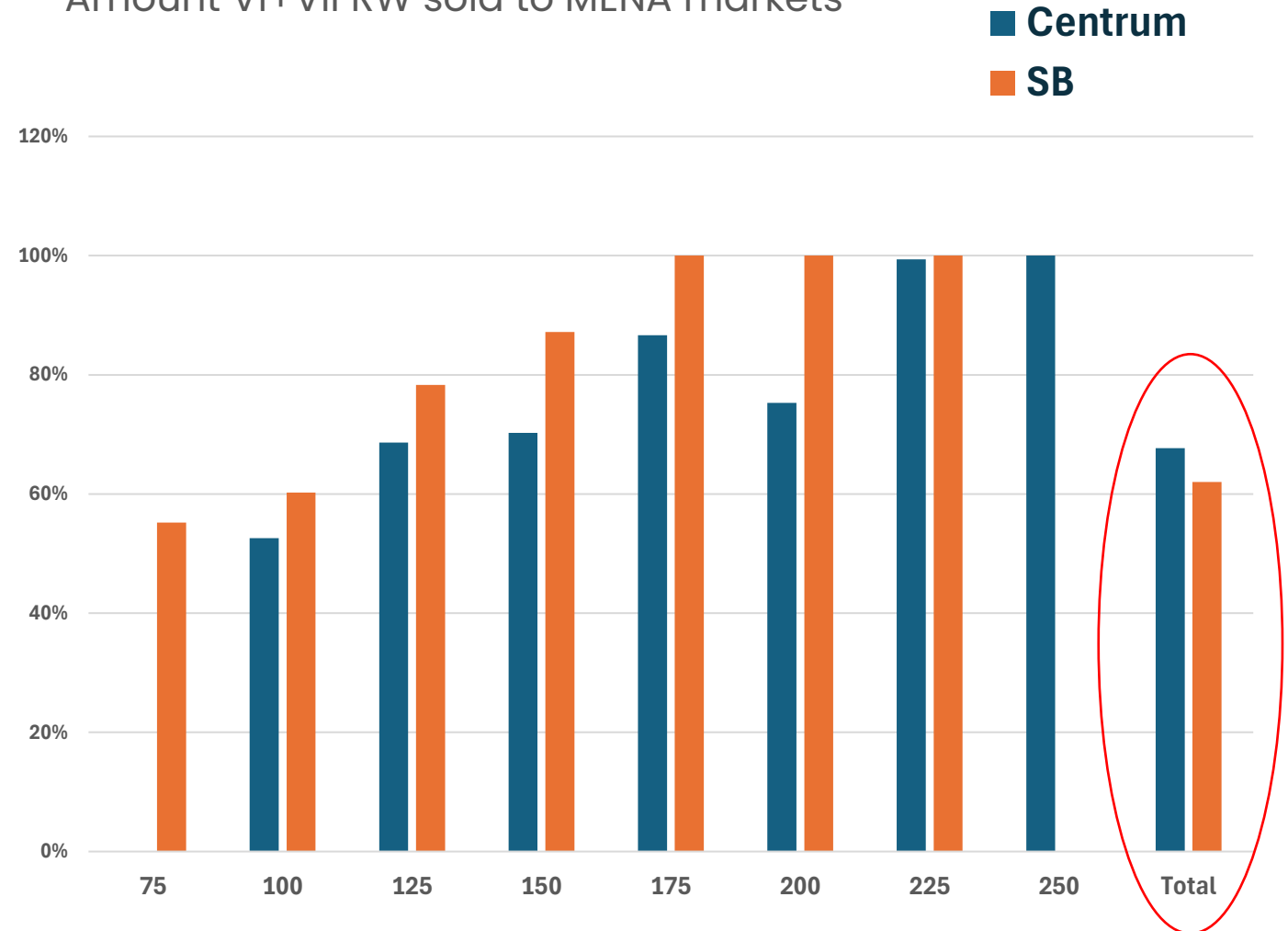
MENA buyers likes the lower grades.

MENA is the only market that buys big volumes in lower grades in all block heights and all sizes of sideboards

Why do pine producers attend MENA?

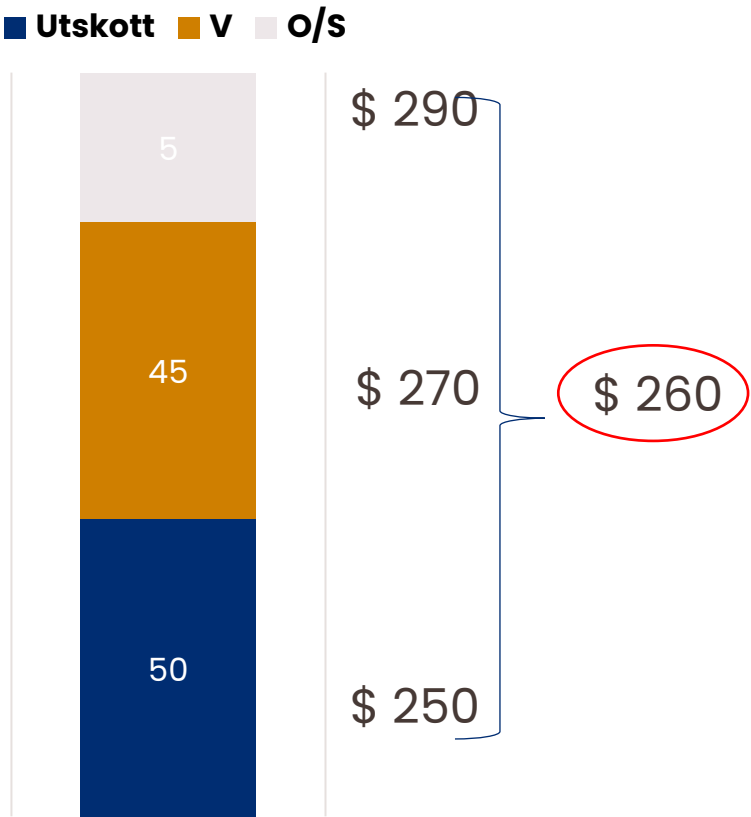


Amount VI+VII RW sold to MENA markets

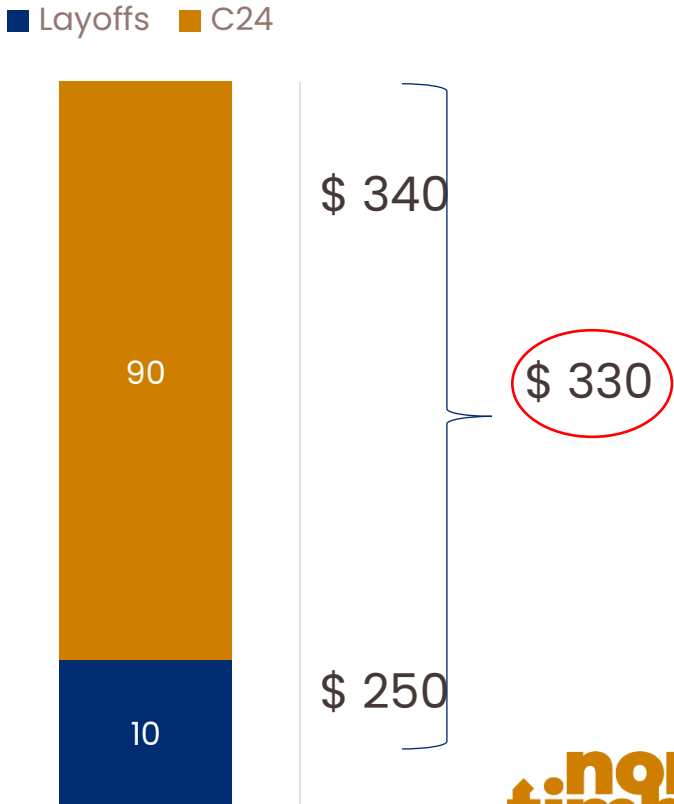


From Grading to Market: How Pine Logs Are Sold and How the Market Is Shifting

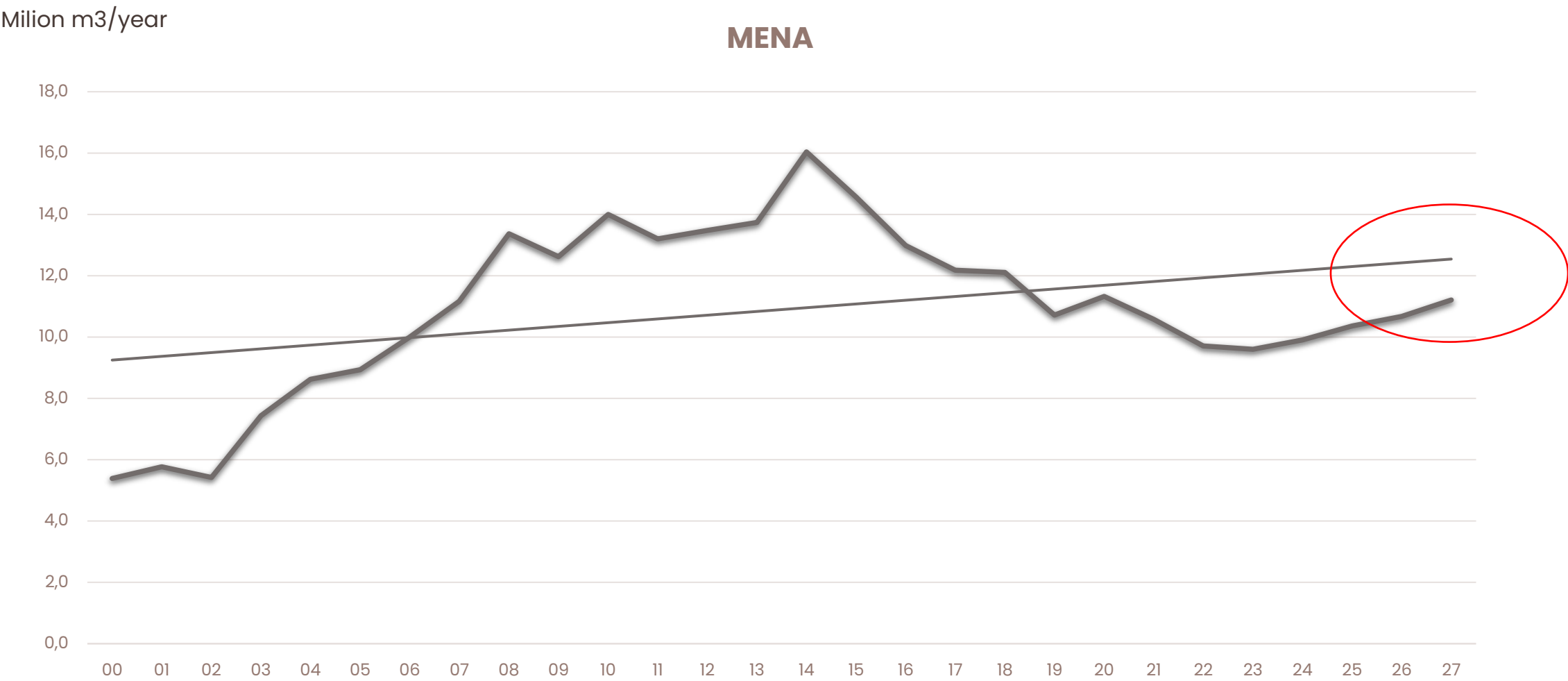
Traditional grading MENA markets



CLS C24 construction grading



MENA wood future consumption 26-27



Conclusions

High raw material costs and too low sales prices from traditional grading for lower grades forces sawmills to change strategy

Lack of spruce have as a paradox opened the construction timber markets for redwood

75, 63 and 50 mm will be gradually replaced by 47 mm for C24 planning

Mena markets will remain important but needs to adopt to this new market opportunities for the producers

Mena markets will have a growing demand thanks to young population and rapid economic growth

Mena markets are still extremely important for lower-grades and sideboards

Volatility regarding currency, interest rates public investments affects volumes and prices negative

The growth and massive demand changes the wood consumption patterns towards more processed wood

The MENA markets are extremely adaptive and have a bright future

Thank you for your attention!

Erik Eliasson, Sales Manager

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