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Södra Timber has acquired its first sawmill in Norway after purchasing all the shares in Romerike Trelast. www.ttjonline.com/norway

The Malaysian Timber Industry Board is reviewing its forecast for 2011 timber exports, according to the latest market report from the International Tropical Timber Organisation. www.ttjonline.com/forecast

Austria-based timber products group Hasslacher Norica Timber has unveiled its strategy for the future during a celebration event to mark its 110th anniversary. www.ttjonline.com/hasslacher

South American plywood brand Lumin is now being shipped to Europe with PEFC certification. www.ttjonline.com/lumin

US and Canadian exports of logs and lumber to China are expected to double this year to reach an estimated value of US\$2.6bn, according to *Wood Resource Quarterly*. www.ttjonline.com/logs

UPM has become the first Finnish company to comply with Finland's Forest Stewardship Council standard. www.ttjonline.com/fsc

German wood fibre materials and I-joint group Steico boosted sales 16.7% in the first half but, despite the growth, exceptional costs left profits behind last year. www.ttjonline.com/steico

French production of sawn hardwood is set to break through 1.6 million m³ in 2011, according to the latest statistics from the French Timber Federation. www.ttjonline.com/hardwood

Traders fear an influx of cheaper Russian logs could create a big shift in the dynamics of the global softwood lumber market, according to a survey by international newsletter *Random Lengths*. www.ttjonline.com/influx

Lionex in Integroup distribution deal

Lionex has secured an exclusive distribution deal with Integroup Indonesia in a move designed to improve the sustainability of its products.

Integroup has recently had one of its two forest concessions in Kalimantan FSC-certified, with the second due to follow in November.

"Lionex has an extensive panel of suppliers for sustainable timber, including those certified by PEFC and MTCS for Malaysian timber," said Lionex managing director Marco Poot.

"However, we recognise the growing demand for FSC-certified timber from our European customers, and Integroup has the resources to provide them with a higher range of FSC-certified products."

Lionex said it was being proactive in advance of the EU Timber Regulation which, when it comes into force in March 2013, will make it mandatory for companies to ensure the legality of the timber products they import into the EU.

The deal adds to Lionex's current offering of value-added

and customised timber products for construction, DIY and the garden/decking markets. Door jambs, skirting boards and windows and door components will be additional products for Lionex.

Russian plywood imports surge in EU

EU imports of Russian plywood surged in the first half of 2011, according to the latest market report from the International Tropical Timber Organisation.

Russian hardwood plywood imports reached 416,000m³ in the first half, up 23% on the 340,000m³ shipped a year ago. The birch plywood imports made up much of the increase in EU hardwood plywood imports.

EU imports of Chinese plywood were up 32% at 464,000m³ in the first six months.

However, Chinese imports have been reducing since reaching a peak in the third quarter of 2010.

The EU imported a total of 630,000m³ in the second quarter, up 9% on the same period a year ago. Imports over the first half of 2011 were 1.2 million m³, up 12% on a year ago.

Södra's new mill nearly trebles capacity at Värö

Södra's new 750,000m³ capacity Värö sawmill has been inaugurated.

The sawmill line, described by Södra as one of the largest and most modern in Europe, was officially opened by Swedish minister for trade Ewa Björling in front of 200 invited guests.

The line was transferred from Klausner's closed facility in Adelebsen, Germany. It has replaced Värö's existing 1974 sawmill which had a capacity of 275,000m³.

Production will concentrate on whitewood and redwood construction timber over three shifts.

"The company's investment of nearly SKr1bn in Värö will provide a technological boost and constitutes a major and essential component in the company's efforts to strengthen its competitiveness with respect to the market and raw

materials," the company said.

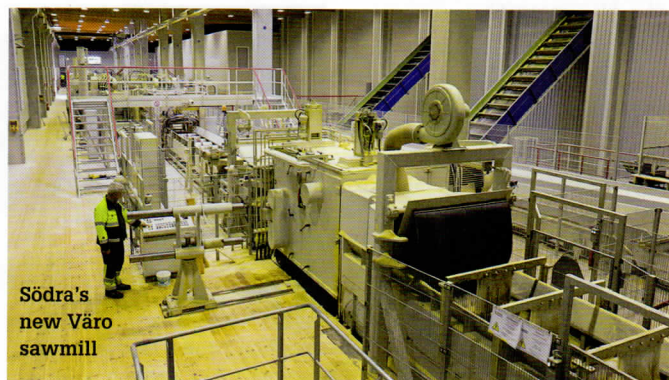
"This project also confirms Södra's clear ambition of being an international player in the sawmill industry.

"The market is also moving toward more standardised products, some of which require significant volumes to be competitive in the long term. Consequently, Södra needs a sawmill of this magnitude if it wants to vie for a place in the market of the future."

A key part of the project is the location of the mill adjacent to Södra's new pulp mill, generating advantages in terms of energy, wood chip transports and overheads.

The sawmill will receive its energy supply from the pulp mill and account for 30% of the mill's wood chip requirements.

Another benefit is the proximity to rail lines and the harbour in Varberg.



Södra's new Värö sawmill

The imports are at the highest since the economic crisis in 2008.

EU imports of hardwood plywood from Malaysia, Indonesia and Brazil in the first half were down 40% (69,000m³), 28% (55,000m³) and 25% (24,000m³) respectively.

Vapo closes pellet plants and exits Riga port

Swedish timber producer Vapo is closing down three pellet plants and will leave its port facilities in Riga in response to weak conditions in the wood pellet market.

The company's pellet production capacity will decrease from 900,000 tonnes to 500,000 tonnes.

Vapo, the leading Finnish pellet producer, said the market outlook for the pellet business has

continued to weaken in key customer sectors and markets, with the excess capacity situation continuing for a long time. This, combined with increased imports to Europe, has brought down pellets' market price to a level that "often does not cover the production and transport costs".

Vapo has exported pellets to Scandinavia and central Europe, generating cumulative losses of €40m since it started producing the products in 2000. The company has invested almost €90m in pellet production.

Vapo is preparing to make a write-off of at least €29m in its current year accounts. In addition, Vapo will make write-offs to remaining pellet plants.

It will retain 11 pellet plants, spread across Finland, Sweden, Poland and Denmark.