



# Forest Industry Production

Production in Finland in January-June 2002

## Weakened demand for forest industry products due to slow growth in global economy

During the second quarter of the current year, economic development in the forest industry's main markets turned out weaker than expected. In the United States, growth was appreciably slower than during the first quarter, while in Europe, too, growth was poor. As a consequence, the demand for forest industry products remained low, widely keeping production at a low level.

## Operating rate in the paper industry in Finland 87%

Owing to the low demand, the paper industry in Finland had to take downtime also during the second quarter. The operating rate of the paper industry remained low in April to June at a level of under 87 percent. A year previously the operating rate was 86 percent, and during the first quarter of this year at something under 88 percent.

Altogether during the second quarter, 3.06 million tons of paper and board were produced in Finland, making around two percent less than the previous year.

Newsprint production again fell markedly, but the amount of other paper grades increased compared with the production in the same period last year. Printing and writing paper production went up by four percent of the amount over the equivalent period last year, with kraft paper production rising by 11 percent.

Board production increased by seven percent on average.

In the January-June period, a total of 6.2 million tons of paper and board were produced in Finland, two percent less than a year previously. The operating rate during the first half-year period was 87 percent on average (90 percent the previous year).

## Pulp production up by 12 %

In the second quarter, chemical pulp production rose by almost 12 percent over the previous year's level, due to an increase in both pulp exports and raw material utilisation in Finland. Production of mechanical pulp was, however, still decreasing.

Altogether in the second quarter, 2.8 million tons of wood pulp were produced, which was almost six percent more than a year before. Production for the first half of the year reached 5.8 million tons, making it two percent higher than last year.

## Sawn timber production on high level in spite of poor profitability

In spite of poor profitability, the sawn timber production was on high level in the second quarter at 3.5 million cubic metres, which is approximately the same level as a year ago. During the first half of the year 6.9 million cubic metres of sawn timber were produced, amounting to one percent less than the year before.

Owing to the new capacity, plywood production increased during the second quarter by six percent over the same period last year, reaching 325,000 cubic metres, a record level for any single quarter.

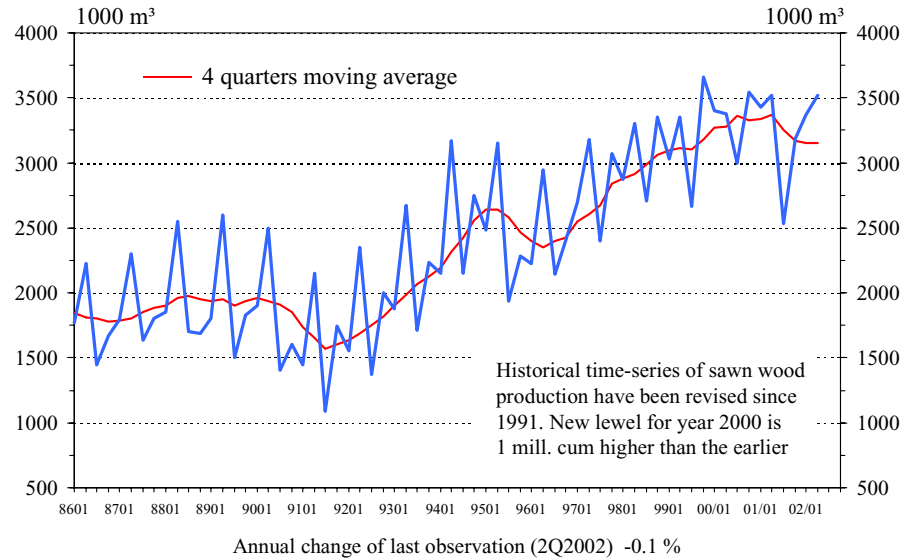
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## FOREST INDUSTRY PRODUCTION IN FINLAND January-June 2002

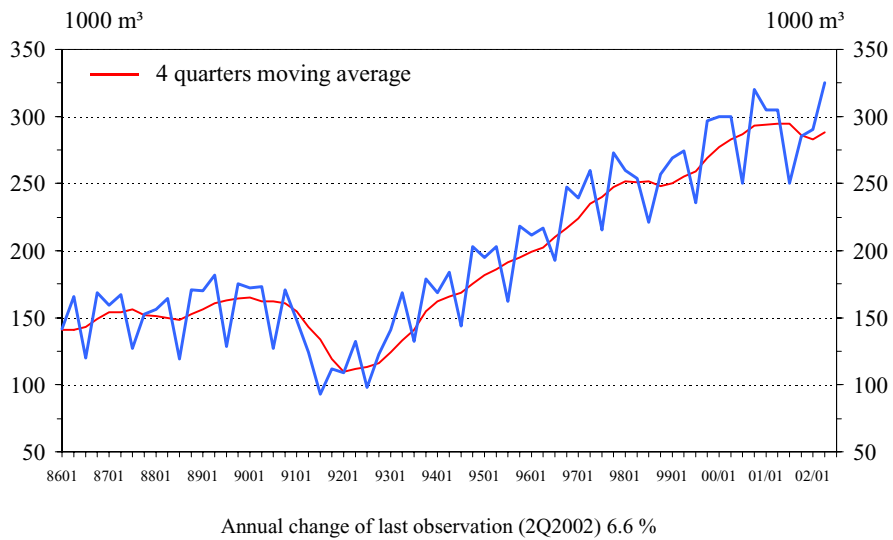
	Unit	2002	change%	2002	change%	2002	change%
	1000	1 <sup>st</sup> Q	2002/2001	2 <sup>nd</sup> Q	2002/2001	6 M	2002/2001
Coniferous sawnwood <sup>1)</sup>	cum	3370	-1,7	3515	-0,1	6885	-0,9
Plywood <sup>1)</sup>	cum	290	-4,9	325	6,6	615	0,8
Chemical pulp	tons	1812	3,4	1712	11,8	3524	7,4
sulphate, of which	tons	1812	3,4	1712	11,8	3524	7,4
bl. sa softwood	tons	886	3,2	840	9,6	1727	6,3
bl. sa hardwood	tons	751	5,1	703	15,6	1454	9,9
Other pulps (incl. mechanical pulp and semi-chemical pulp)	tons	1146	-8,2	1087	-2,5	2233	-5,5
<b>PULP TOTAL</b>	<b>tons</b>	<b>2959</b>	<b>-1,4</b>	<b>2799</b>	<b>5,8</b>	<b>5757</b>	<b>2,0</b>
Paper	tons	2498	-7,1	2398	0,5	4896	-3,5
newsprint	tons	247	-32,0	255	-23,7	501	-28,0
pr&wr paper, of which	tons	1985	-3,7	1877	3,9	3862	-0,2
wood-containing p&w	tons	1321	-4,4	1226	2,2	2546	-1,3
woodfree p&w	tons	665	-2,3	651	7,2	1315	2,2
kraftpaper	tons	132	-3,9	133	11,7	265	3,3
other paper	tons	134	4,7	134	5,5	268	5,1
Paperboard	tons	679	-0,8	667	7,4	1346	3,1
<b>PAPER AND PAPERBOARD TOTAL</b>	<b>tons</b>	<b>3177</b>	<b>-5,8</b>	<b>3065</b>	<b>1,9</b>	<b>6242</b>	<b>-2,2</b>

<sup>1)</sup> estimate

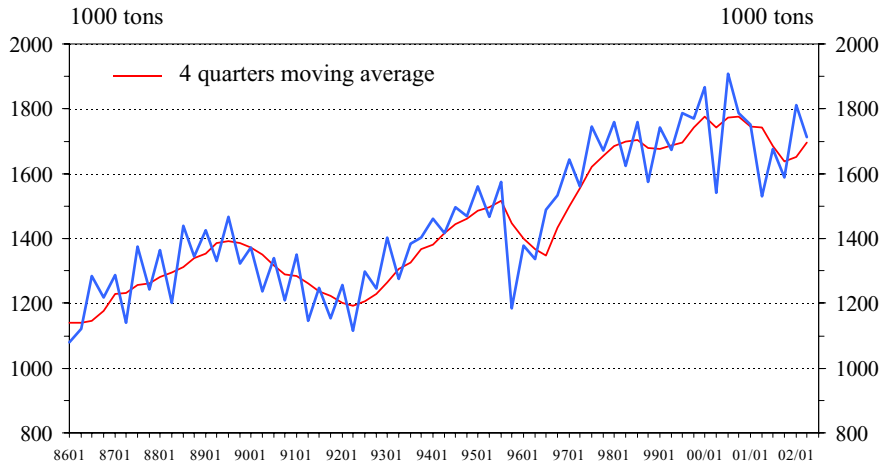
## Sawn softwood production quarterly



## Plywood production quarterly

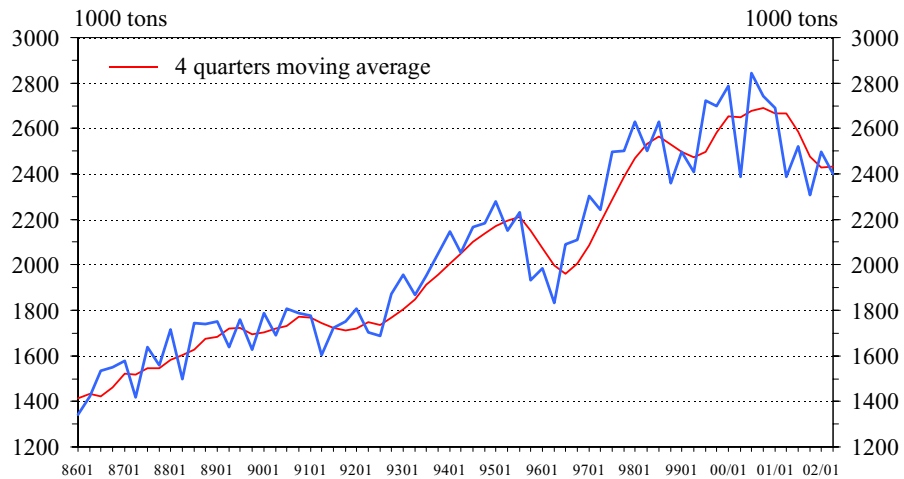


## Pulp production quarterly



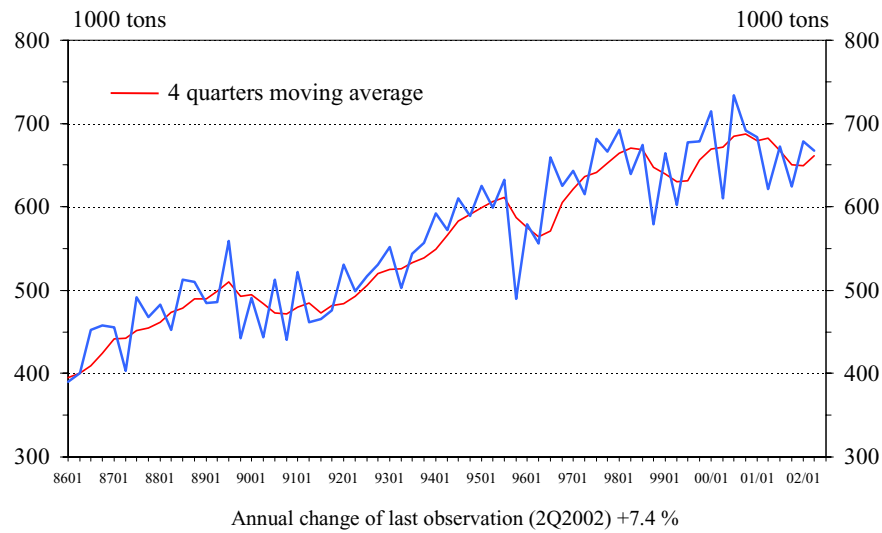
Annual change of last observation (2Q2002) +11.8 %

## Paper production quarterly



Annual change of last observation (2Q2002) +0.5 %

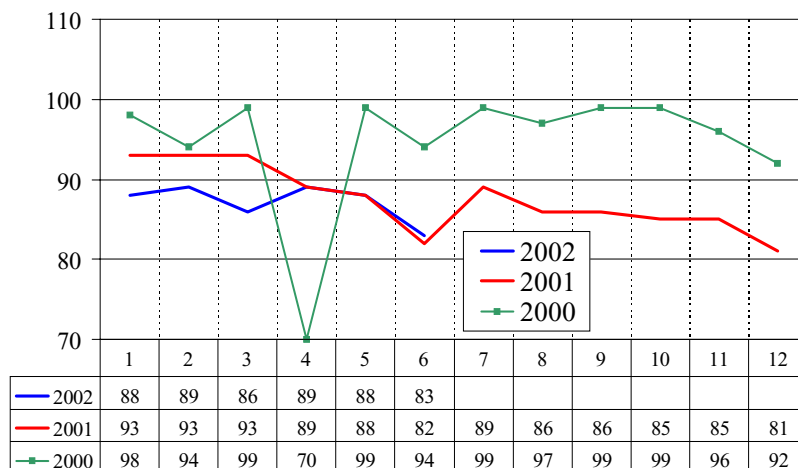
## Paperboard production quarterly



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29.7.2002  
SOURCE. Finnish Forest Industries Federation

## Monthly operating rate of paper industry in Finland



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