
Setra gives notice in Horndal

Setra has decided to start negotiations under the Swedish Co-determination Act (MBL) relating to the closure of the Horndal sawmill in Avesta municipality. A weak earnings development, a falling market for Horndal's special product range and major investment needs are the background to this decision. Approximately 35 employees are affected.

Horndal is a special sawmill for so-called veneer logs, high-quality butt logs from slow-grown pine. The products have traditionally mainly been sold as unedged wood products as well as window frames to small furniture and window joineries throughout Europe.

“The market for Horndal's high-quality special products is shrinking due to structural changes in the customer base,” says Setra's President and CEO, Börje Bengtsson. “As small specialised joineries disappear as customers, the previously profitable special product range accounts for an ever diminishing share of sales from Horndal.

“Earnings development for the Horndal sawmill has been weak for a long time. The unit also has major, urgent investment needs which cannot be justified in the shrinking market situation,” says Bengtsson.

“It is an onerous task to make a decision to close Horndal, but we cannot continue to operate a unit that makes a loss year after year,” Bengtsson continues.

Horndal sawmill is in Avesta municipality and has approximately 35 employees. Production volume in 2011 totalled 32,000 cubic metres of sawn product. Horndal sawmill is part of Setra's Redwood business area.

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Setra is one of Sweden's largest wood products companies and a leading player in Europe. We offer eco-certified wood products for interiors and construction to customers in the building materials trade and industry. The Group has 1,000 employees and annual sales of approximately SEK 4.5 billion. Exports to Europe, North Africa, the Middle East and Japan account for almost 60% of sales. Read more at www.setragroup.com

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