

## Setra guards against uncertain market situation

**Wood products company Setra is making production cutbacks at three redwood sawmills during the fourth quarter to guard against the uncertain market development in North Africa.**

“In the current more turbulent situation, in the North African markets in particular, our assessment is that a market adjustment of the production level is necessary,” says Olle Berg, Market & Business Development Director at Setra.

“Our biggest concern is the present shortage of foreign exchange in Egypt and in the current situation we do not see any immediate solution to the problems this causes. It mainly affects our redwood production and the sawmills that are most exposed to the North African markets. We believe that it is better for Setra to respond to the changed market situation and in this way keep good control of our stocks, in terms of both balance and levels,” says Berg.

In order to guard against the uncertain market situation, Setra has decided to cut production in the fourth quarter by about 20% at the three redwood sawmills in Vimmerby, Skinnskatteberg and Malå. Production at these sawmills is mainly focused on sales to markets in North Africa and the Middle East. The units will carry out maintenance and investments during the production downtime.

The markets in North Africa and the Middle East account for just over 20% of Setra’s total sales. Sales mainly comprise sawn redwood products with Egypt and Algeria as the largest individual markets in the region.

Setra Group includes a total of nine sawmills, three specialised processing units and two modular building factories.

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*Setra is one of Sweden’s largest wood products companies and a leading player in Europe. We process raw material from responsibly managed forests and offer climate-friendly products and solutions for building and living in a global market. The Group has approximately 900 employees and annual sales of SEK 4.2 billion. Exports to Europe, North Africa, the Middle East and Asia account for about 60% of sales. Read more at [www.setragroup.com](http://www.setragroup.com).*

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