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Sweden

Solid Wood Products

Swedish Forest Owners Severely Affected by Largest Storm Damage in 100 Years

2005

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Report Highlights:

During the weekend of January 8-9, 2005, a severe storm raged throughout southern Sweden causing major damage to forests. About 75 million cubic meters of standing timber, valued at SEK 20-30 million (US\$ 3-4 million), was felled in the storm. This is nearly the total annual fellings (averaging 83 million cubic meters) for all of Sweden. The huge timber loss has resulted in severe price declines and financial distress for forest owners throughout Sweden. Over 50 percent of Sweden's forests are privately owned.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Stockholm [SW1]
[SW]

Worst Storm in 35 Years

During the weekend of January 8-9, 2005, a severe windstorm raged throughout southern Sweden causing major damage to forests. This was the worst storm in Sweden in 35 years and the worst in terms of damage in 100 years. About 75 million cubic meters of standing timber, valued at SEK 20-30 million (US\$ 3-4 million), was felled in the storm. This is nearly the average total annual fellings throughout Sweden which is estimated at 83 million cubic meters.

Felled Timber in Danger of Attack from Pests

Forest owners in the affected areas are now facing huge problems removing the timber before the arrival of summer and the accompanying threat of pest attacks. Despite assistance from northern Sweden, Finland, Denmark and Germany, there is a potential risk that not all of the affected timber will be removed before summer. The Swedish government (GOS) is presently considering the temporary approval of chemical treatment in order to prevent insect damage and to allow for some additional time to remove the felled timber. The GOS is also considering permitting longer working and driving hours for chauffeurs of timber transport vehicles.

Severe Financial Losses Anticipated

As over 50 percent of Sweden's forest area is privately owned, the windstorm has led to personal tragedy for many forest owners. Regrettably, four forest owners are reported to have taken their lives due to the storm. While it is unlikely that all timber hit by the storm will be processed quickly, the extra volume of timber and pulp wood destined for the Swedish market is expected to result in a severe price decline, causing huge financial problems for forest owners in all of Sweden.

The Swedish forest industry plays a relatively important role in the Swedish economy. The forest industry and forestry account for four percent of Sweden's GDP and almost 15 percent (US\$ 3.5 billion) of Sweden's total exports. The industry is based on domestic raw material. Reduced domestic timber stocks caused by the windfall will have long-term effects for the sector, as it will likely turn to imported raw material to fill the gap.