GLOBAL LUMBER/SAWN WOOD COST BENCHMARKING REPORT

AVAILABLE SEPTEMBER 2003

Featuring
• A Profile of the Major Sawn Wood-Producing Countries in North America, Europe and the Southern Hemisphere
• Benchmarking of Log and Sawmilling Costs for 20 Key Countries or Regions
• Cost Summaries & Analysis Based on Costs Collected and/or Mills Visited for Over 200 Sawmills

2002 Basis

INTERNATIONAL WOOD MARKETS RESEARCH INC.

AVAILABLE SEPTEMBER 2003
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3.3 Plantation Pine Log Harvest Outlook
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KEY FEATURES

COUNTRY PROFILES, FEATURING:
Industry Overviews by Country
Historical Timber Harvest and Lumber Production
Historical Lumber/Log Exports (and By Destination)
Manufacturing and Log Costs/Prices for Selected Countries

SAWN WOOD BENCHMARKING BY COUNTRY, INCLUDING:
Delivered Log Costs
Logs to Lumber Costs and Recoveries
Sawmill Costs
Lumber & Byproduct Revenue
EBITDA Margin
Detailed Mill Phase Costs (Average and Top-Quartile)
for North America and Selected Offshore Countries
Average Freight Costs to Selected Markets
ABOUT THIS REPORT

In today’s globally competitive market, it is essential that all parts of an organization strive to achieve “best in class” performance levels and identify gaps and opportunities for enhancements on an ongoing basis. To achieve this objective, PricewaterhouseCoopers Global Forest & Paper Practice (PwC) and International WOOD Markets Research Inc. (WOOD Markets) have joined forces to offer clients this Global Lumber/Sawn Wood Cost Benchmarking Report.

This benchmarking report covering twenty countries or regions is based on detailed cost data submitted by over 160 mills and from another 50 mills visited in 2002. Detailed country cost comparisons are made where our minimum sample size requirements for disclosure have been achieved by the participating companies, and pro forma cost summaries are provided where the minimum number of mills was not achieved.

The 2002 benchmarking study is our first global multi-client report (private client reports have been completed in previous years). In 2004, we expect to expand the number of companies and countries surveyed so that a larger database is created, allowing for a greater number of detailed cost comparisons between countries.

KEY ATTRIBUTES

• Unique strategic report that presents new information on the competitiveness of the global sawn wood industry
• Detailed or pro forma log and manufacturing costs presented by major producing country/region
• Country profiles and overviews of timber harvest and lumber supply and demand
• Includes background research and extensive review of published literature and reports

SAWN WOOD COST BENCHMARKING

• All costs are summarized in US$/m³ (net) for direct and relevant comparisons to other countries and/or regions
• Woodland costs include stumpage fees, logging and transportation costs to mills for most countries
• Detailed sawmill costs include lumber recovery factors; sawmill labour, maintenance and benefits; energy and fuels; operating/maintenance materials and supplies; salaries and benefits, mill overhead and administration; and depreciation (for countries that meet minimum sampling requirements)
• How competitive have European sawmillers become and in what areas?
• How competitive are mills in the Baltic States, Eastern Europe and Russia?
• Which Southern Hemisphere country has the lowest costs and/or highest margins?
• How have currency dynamics affected the low- and high-cost producing regions?

GLOBAL BENCHMARKING TEAM

PwC’s Forest and Paper Benchmarking Practice

PricewaterhouseCoopers LLP (www.pwc.com), the world’s largest professional services organization with over 120,000 people in 150 countries, helps clients build value, manage risk and improve performance. PwC’s Global Forest & Paper Practice is a team of professionals dedicated to serving the global forest and paper sector. Over the past two decades they have performed extensive benchmarking surveys that have proven to be invaluable tools for industry executives.


As the publishers of WOOD Markets ’96/2000/2002 and WOOD Markets Monthly newsletter, International Wood Markets Research Inc. (www.woodmarkets.com) provides database, forecasting and market information services to the global solid wood products industry. Its associated company, R.E. Taylor & Associates Ltd., is one of the world’s leading wood products consulting firms and specializes in solid wood products research, analysis and business strategies. The firm conducts projects for the who’s who of the global wood products industry on a wide variety of strategic topics, products and markets, including benchmarking services.
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