

Wood/fiber-based Panels Sector Awareness

The wood/fiber-based panels sector is enjoying improved commercial and consumer end-use demand levels on a sub-regional scale, based on recovering organic growth following the recession. While renewed commercial business opportunity is embracing the MDF/PB panels producing sectors, the industry is also facing a global shortage of accessible timber supplies. Companies have been seeking the route to product innovation involving new material alternatives, substitution and displacement options for existing materials. The latter specially applies to the fiberboard/chipboard panel producing sector, where some interesting and potentially commercially viable, new product and enhanced material structures have recently been announced, plus others known to be under wraps.

Product development alone however does not work. To ensure that today's businesses in the panels sector are profitable tomorrow, will require a fresh awareness. This will embrace aspects that may at first appear to be outside conventional business practice, yet modern supply-chain movements call for a wider perception of achievable business goals to satisfy changing consumer life-styles. During the past 25 years panel producers have focused on high volume, continuous operation linked to modern production technology and advanced in-line processing equipment and machinery. But in future, the general timber/fiber supply and demand movement will impose variable constraints on panels producing companies in regard to: Markets, operations, product and financial aspect, depending on company location.

Beneficial capital allocation opportunities and M&A currently also offer an advised business route within the still young and largely unstructured generic MDF/PB panels sectors.

While not yet a: 'Trend in the Making', the business horizon is becoming linked with the vision of 'Cradle-to-Cradle' profitable sustainable product development, which coincides with the approaching next upward stage of the panels industry on the traditional Life-Cycle Curve.

Nevertheless, it is not a simple scenario and the relatively weak profitability level across the global panels industry, which largely reflects its unstructured nature, is a growing concern as has been commented upon by peer financial companies and consultants. For example, Moody's latest observation (August 19, 2015) is that the main downside risks during the next two years embrace a likely further marked correction in Chinese equity and property prices, a disorderly response to the US Federal Reserves anticipated policy tightening and an exit by Greece from the Euro. Resulting business risks, real or implied, and/or combined would serve to negatively impact the global economy. The outcome would strongly impinge on the wood based panels sectors, which is basically reliant for sales on building construction, consumer furniture and fitments, in which regional imports sourcing and exports play a strategic role.

Business development and sustainability issues such as noted above, will be examined in depth as part of a discursive theme and sessions' content presented in the forthcoming AWA conference: 'International Fiber/wood-Based Panels Conference 2015' (November 11-12, 2015 - Chicago, IL, USA). Doyen speakers will focus on 'Industry Awareness' viewed from a different perspective and

have been invited from peer group companies operating in the world of: Finance, Consultancy, Product Development, Innovation, Research, Market Data Analytics, and End-use Conversion.

--ends—

Issued on behalf of AWA Alexander Watson Associates and MDF Yearbook by
AWA Conferences & Events

P.O Box 69035, 1060 CA, Amsterdam, the Netherlands

T: +31(0)206762069 E: <mailto:conferences@awa-bv.com> Web: www.awa-bv.com/events