

Uncertainty of Russian Markets – How to continue business ...in our case how to start a business

Pin Arctic Oy /Jukka Norppa

Back round

- Pin Arctic Oy private owned trade house working in Russia since 2002
- 3 owners = 90 years experience in woodworking and processing
- More than 20 years operational management experience in Russia
- Acquired in March 2015 Swedwood Karelia Sawmill's all operations in Kostamus Russia including forest lease 300 000 ha , AAC 200 000 m3

Opportunities -why we invest to Russia ?

- Own forest lease
- Sustainable forest management /market advantage
- Skilled and educated labor resources
- From bulk to more value added products
- Increasing bio-energy need (domestic and export)
- Currency rate
- Location
- Co-operation with local administration

Challenges

- Labor legislation for northern regions
- Social responsibility
- Control of forest resources
- Lack of good small and medium size private entrepreneurs
- Long term planning
- Control and trust
- By - products