

MALT

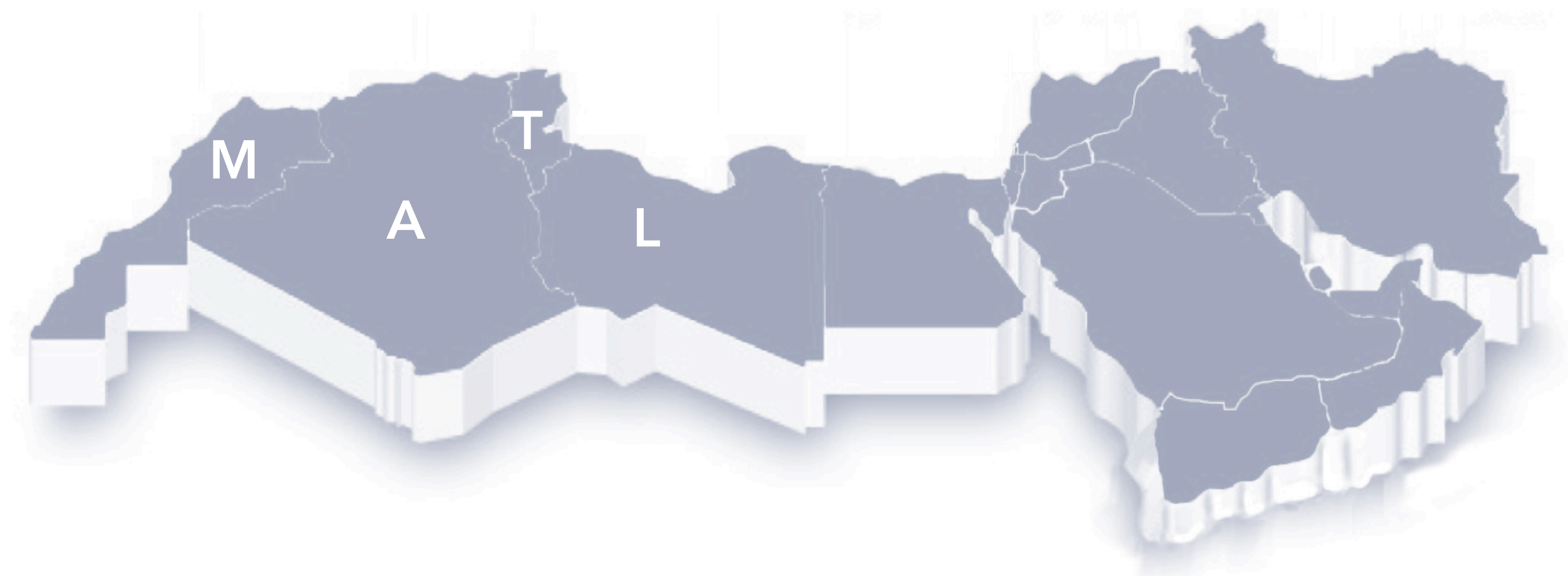
Market Trends



WHAT IS **MALT** ?

IT IS AN **ENTITY**

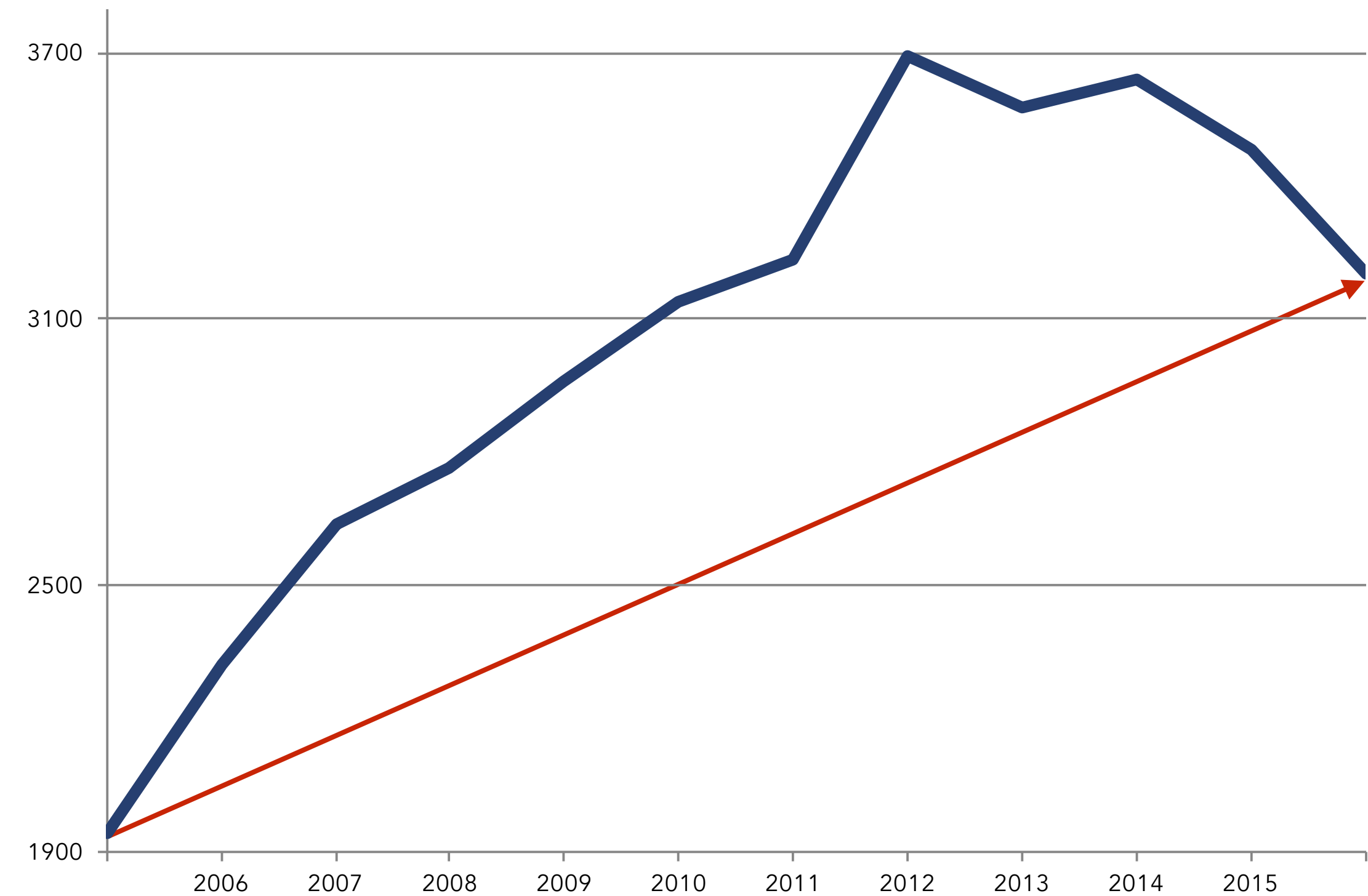
MOROCCO **ALGERIA** **LIBYA** **TUNISIA**



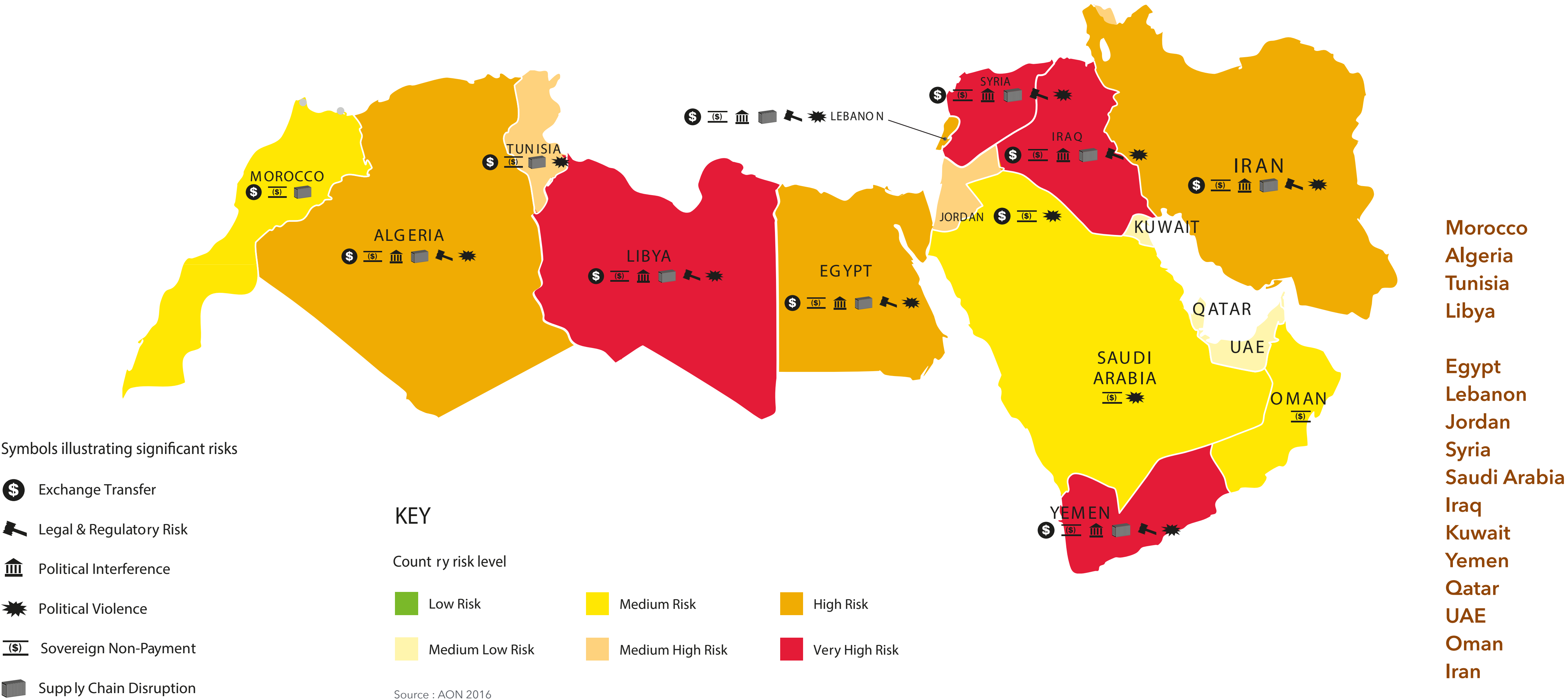
YEARLY IMPORTS OF SOFTWOOD

From Europe & North America to **MALT**

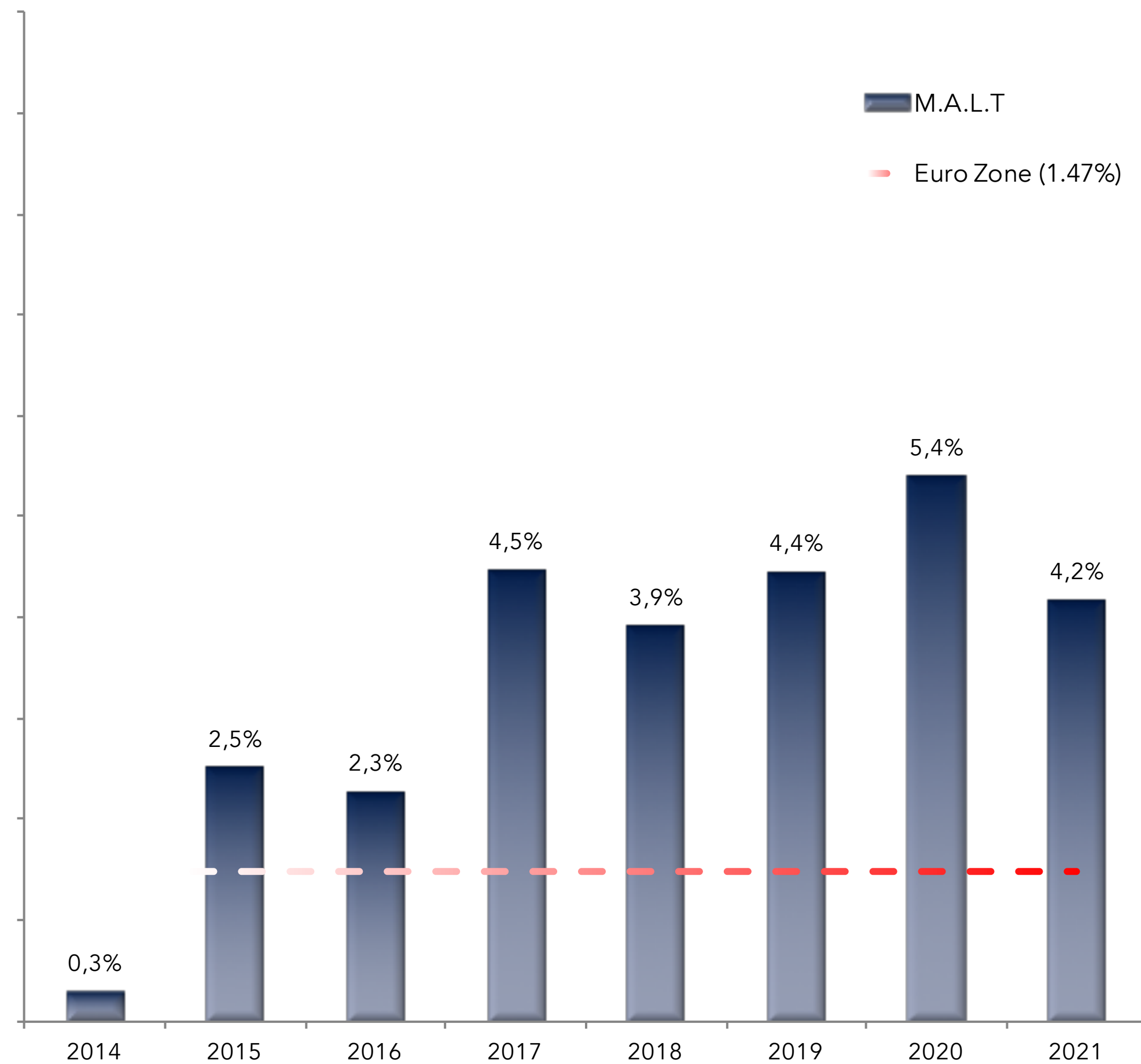
+79%
in 10 years



Political Risks in MALT & MENA



GPD GROWTH OF **MALT** VS EURO AREA



Source : IMF

DEMOGRAPHICS

Population : Around 90,000,000
Growth Rate : 1.5% vs 0.5% in Europe
Population 15 to 24 : 37%

ECONOMY

GDP TOTAL : \$358 Billion

DON'T GET TOO COMFY:
DISRUPT FOR A BETTER FUTURE

GDP 2016 OF MALT
OIL EXPORTING
COUNTRIES
2,1%

GDP 2016 OF MALT
OIL IMPORTING
COUNTRIES
2,3%

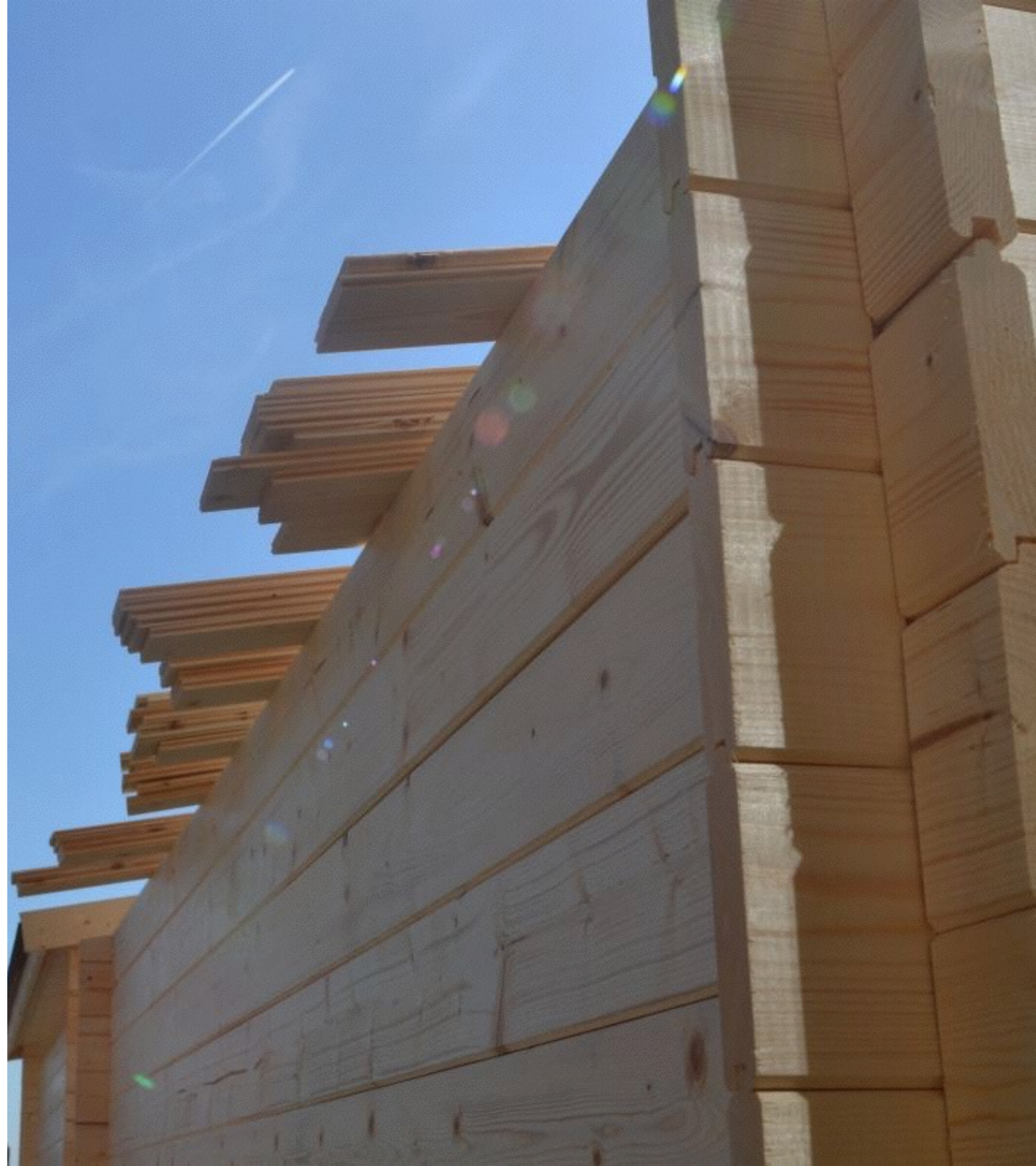


How does **MALT** use Softwood ?

61%

Pine (Redwood)

Furniture | Doors | Windows
Interior Design | Concrete Forming





33%

Spruce

Construction | Concrete Forming

6%

Maritime Pine

Pallets | Cable Drums
Packing | Concrete Forming

International Softwood Conference





TOP EXPORTERS TO **MALT** REGION

#1 Sweden 39%

#2 Aust-Slovenia 29%

#3 Finland 27%

#4 Germany 5%

Source : WOODSTAT AB

TIMBER MARKET

Sawn Softwood Import in the

MALT Region (1000 m³)

	2012	2013	2014	2015	Est. 2016	Est. 2017	Est. 2018
Morocco	1037	955	960	995	993	1033	1053
Algeria	1848	1896	2048	2010	1763	1790	1879
Tunisia	452	338	426	369	358	369	383
Libya	355	385	204	106	88	102	109
Total	3692	3574	3638	3480	3203	3293	3424
% Change	+14,2%	-3,2%	+1,8%	-4,3%	-8,0%	+2,8%	+4,0%

WOODSTAT AB/ Company data, Comarbois Estimates

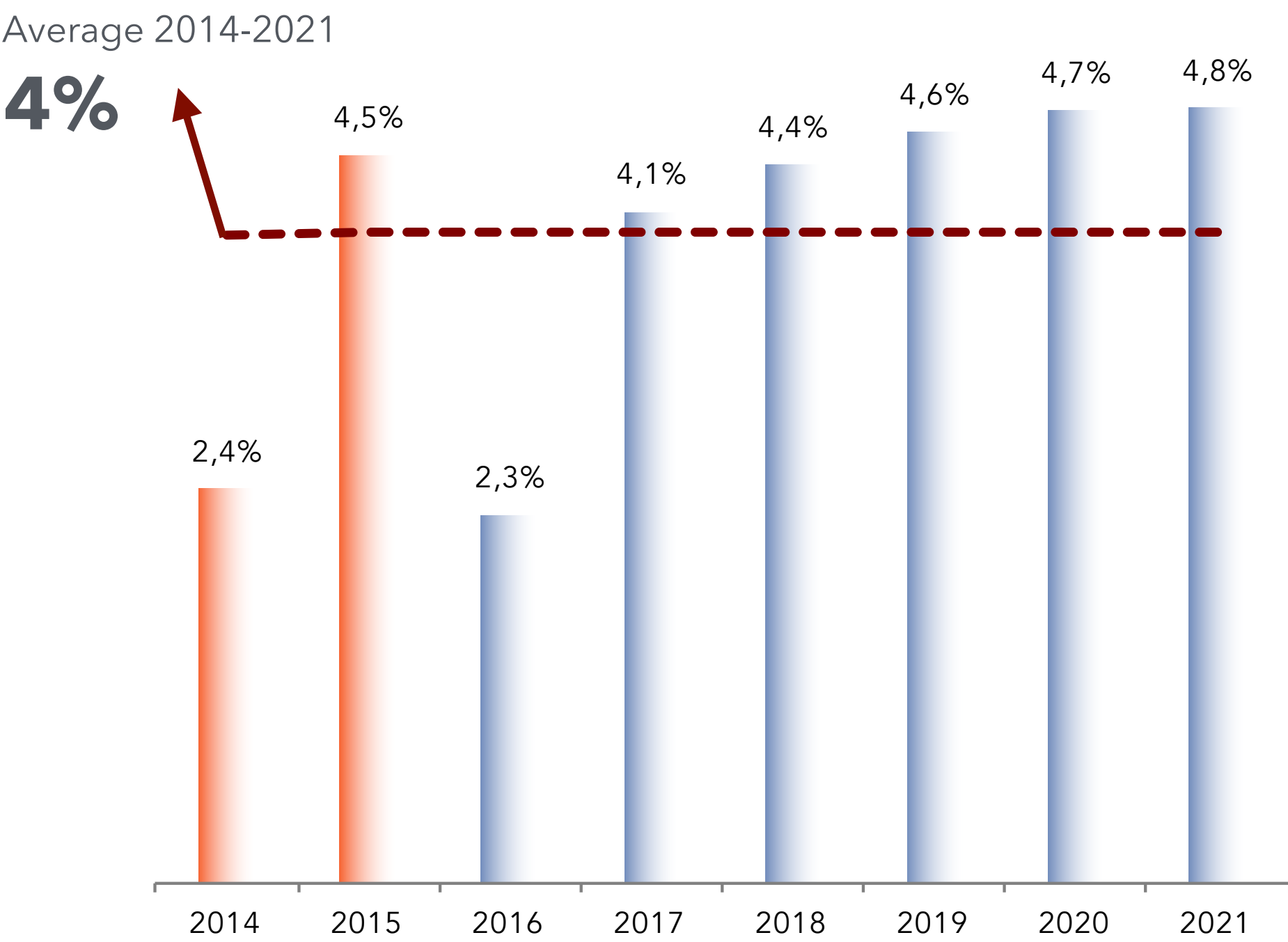
MOROCCO



- Political Stability
- Diversified economy yet still depending heavily on weather (agriculture)
- Low oil price: a real opportunity
- How to finance its growth : systemic risk

REAL GDP GROWTH RATE

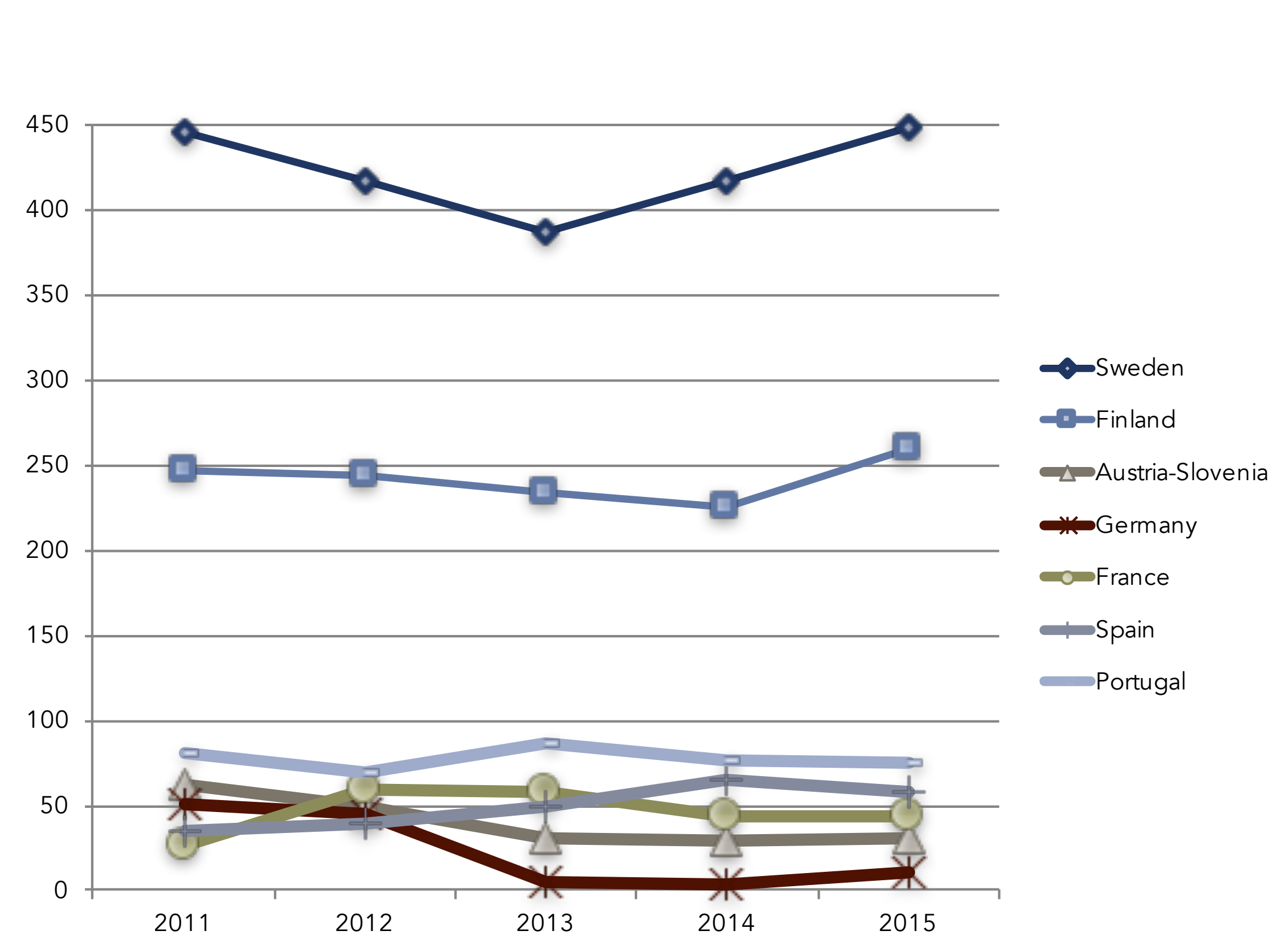
GDP IN 2015 : \$103 BILLION



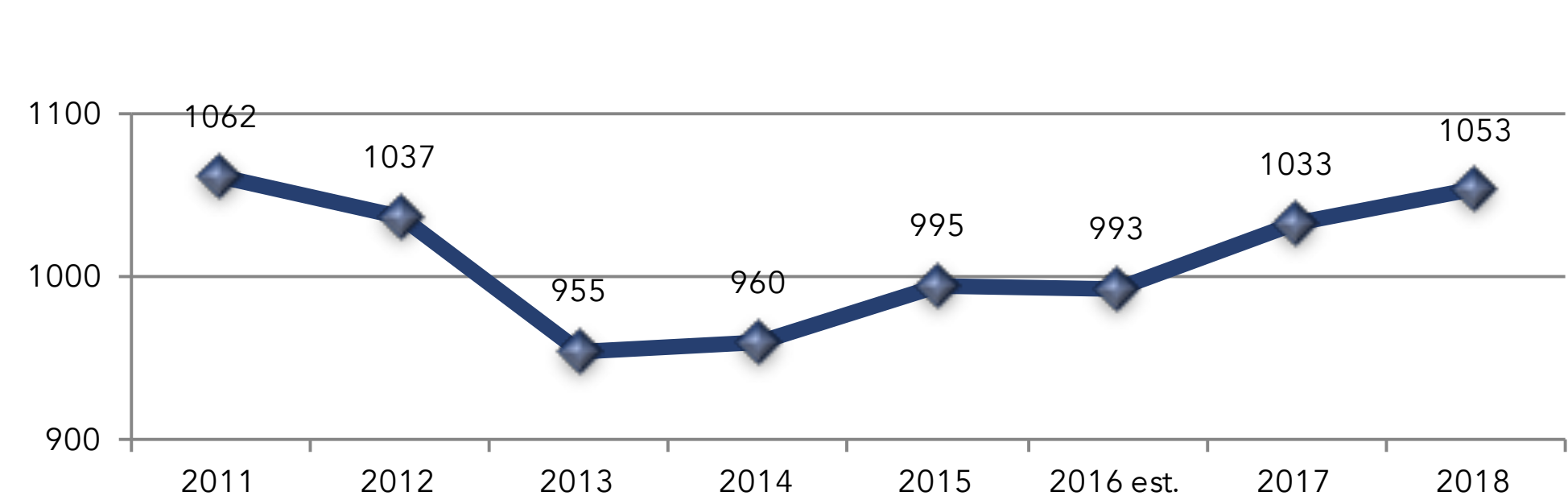
Source : IMF

OUTLOOK FOR MOROCCAN TIMBER MARKET

Main Exporters to Morocco (1000 m³)



Moroccan Softwood Import (1000 m³)



+

1 million social housing program (2010): only 95,000 finished apartments (9.5%)
A growing platform for various industries: cars, renewable energies, offshoring,...

Tourism vision 2020: 20 million visitors annually

—

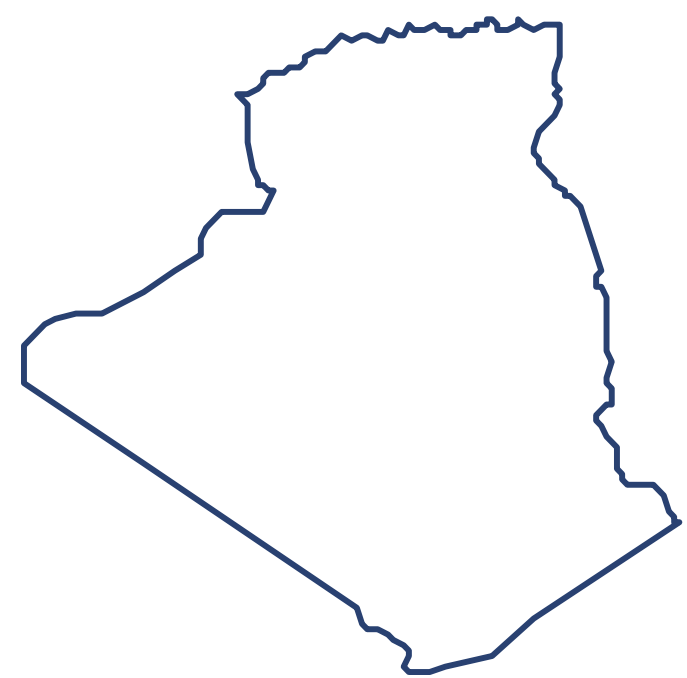
Substitute such as aluminium, MDF, PVC & filmed faced plywood
Local construction sector slowing down

?

Devaluation of the MAD: free floating in 2017?
Actions of the newly elected government?

Sources: WOODSTAT AB /
Company data, Comarbois Estimates

ALGERIA



+39 Millions
Inhabitants

Foreign reserve: \$116 billion (2016) v.s \$195 billion (2014): - 41%

4000 billion m³ of gas

12 billion oil barrel

Highly bureaucratic & volatile political decisions

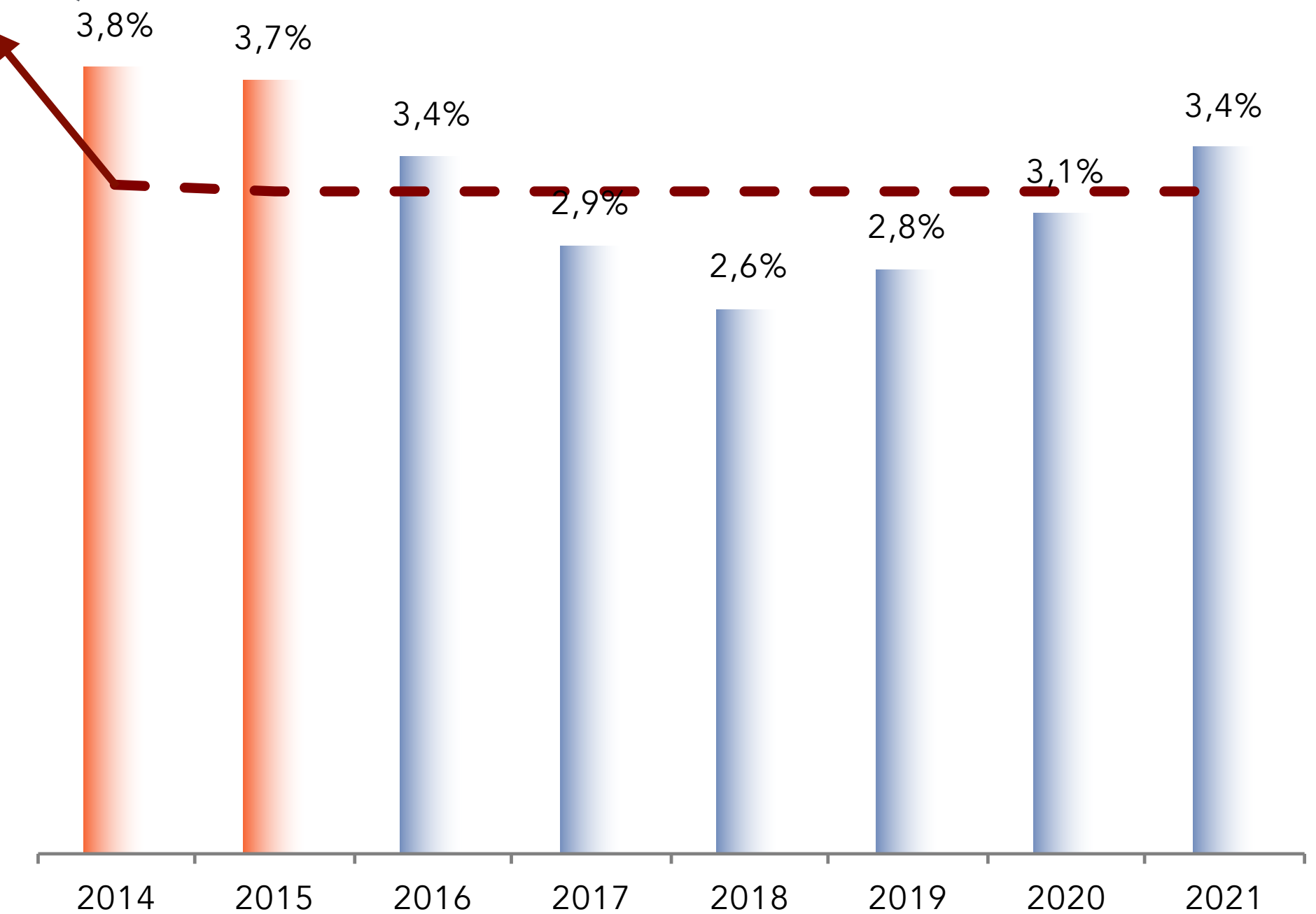
« Growing by oil, Slowing by oil »

REAL GDP GROWTH RATE

GDP IN 2015 : \$172 BILLION

Average 2014-2021

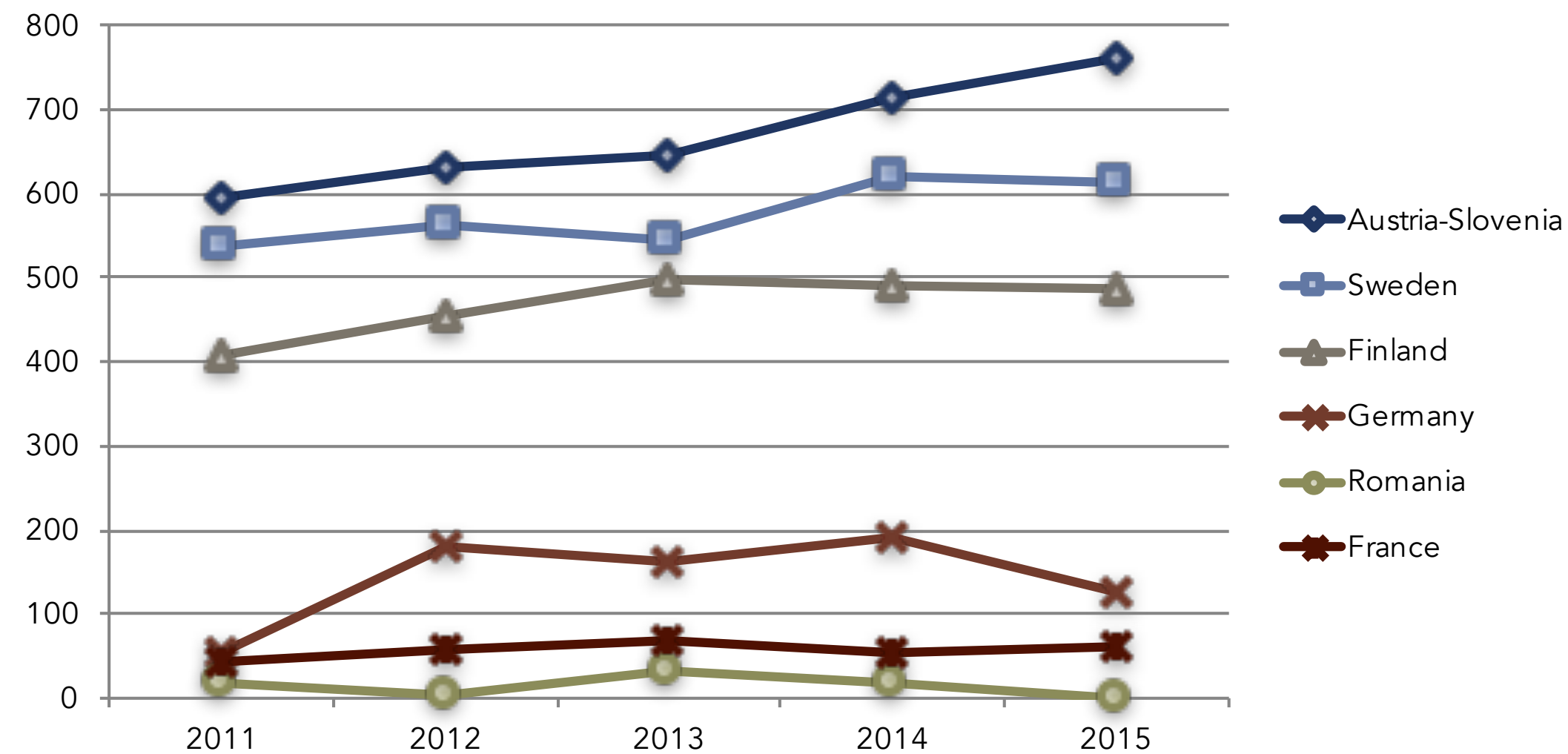
3.2%



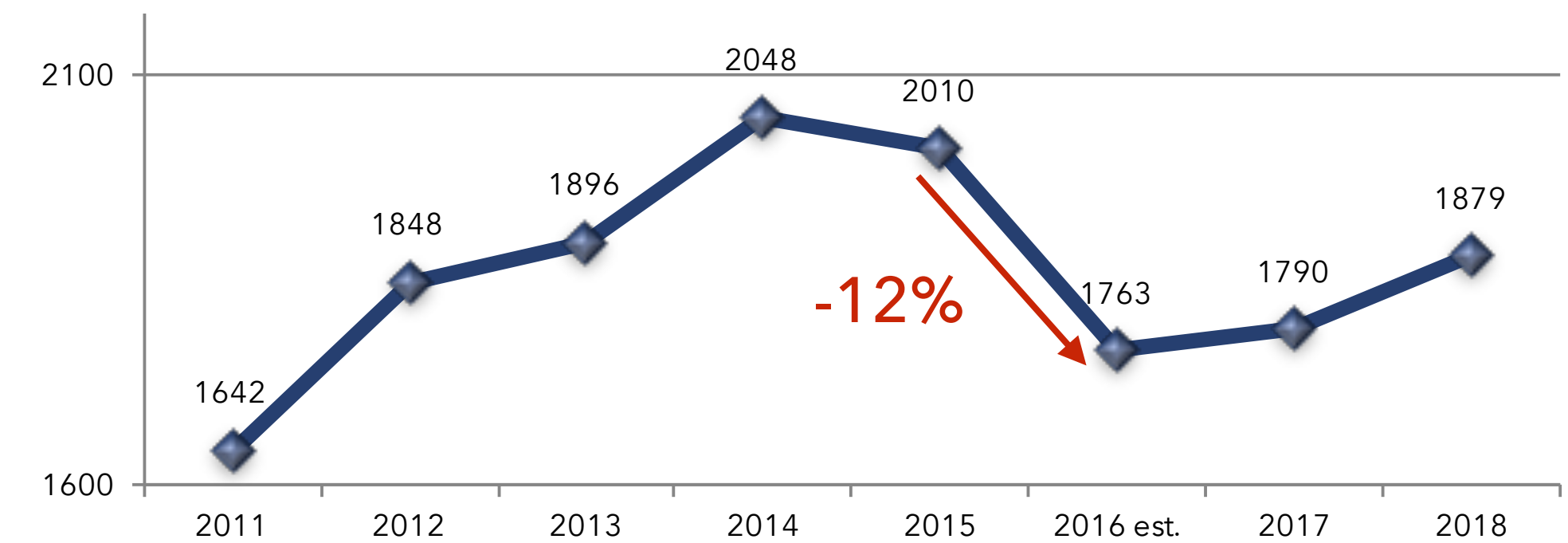
Source : IMF

OUTLOOK FOR ALGERIAN TIMBER MARKET

Main Exporters to Algeria (1000 m³)



Algerian Softwood Import (1000 m³)



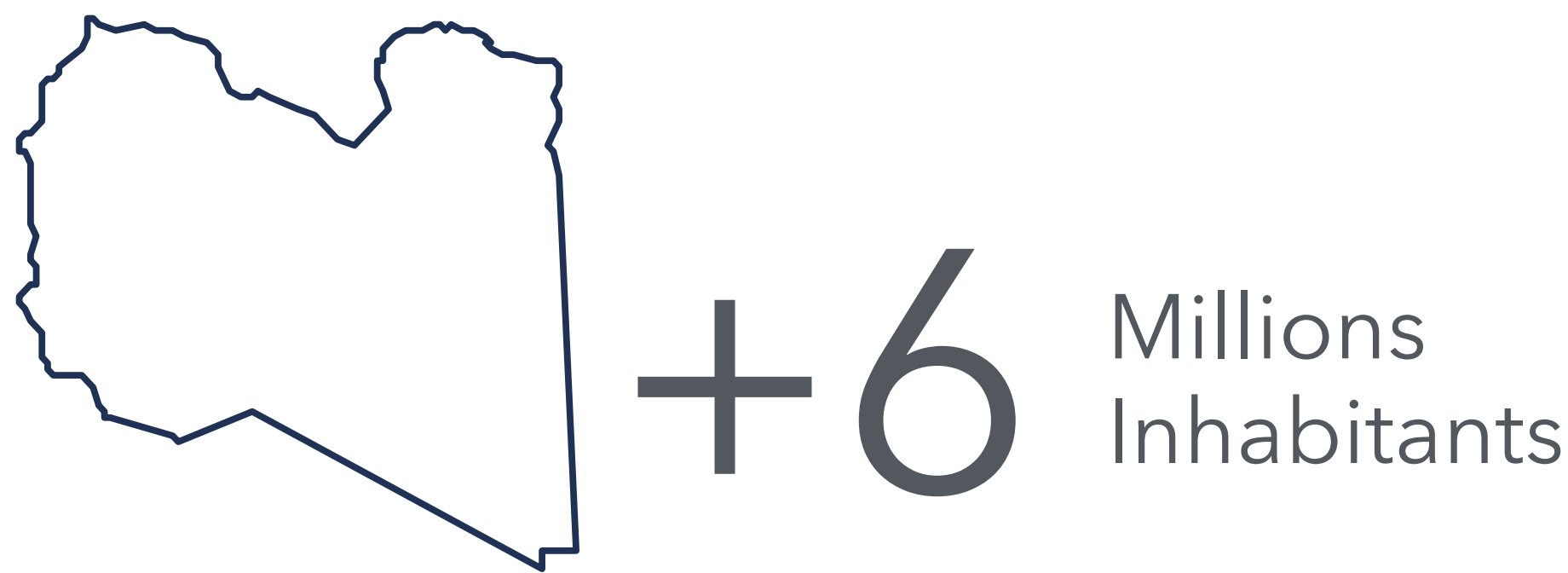
+
Need to develop infrastructures
& local industries (catch up with lost years of non-investments)
A \$56 billion program to build 1.6 million social housing by 2019

-
The majority of ongoing projects have been frozen
Substitute for windows & doors: aluminum, PVC and products manufactured abroad
Softwood imports negatively impacted by importations quotas on concrete & steel rebars

?
Consequences of a VAT increase to 19% in 2017?
So far future based on oil prices
Steep devaluation of Algerian Dinar

Sources: WOODSTAT AB /
Company data, Comarbois Estimates

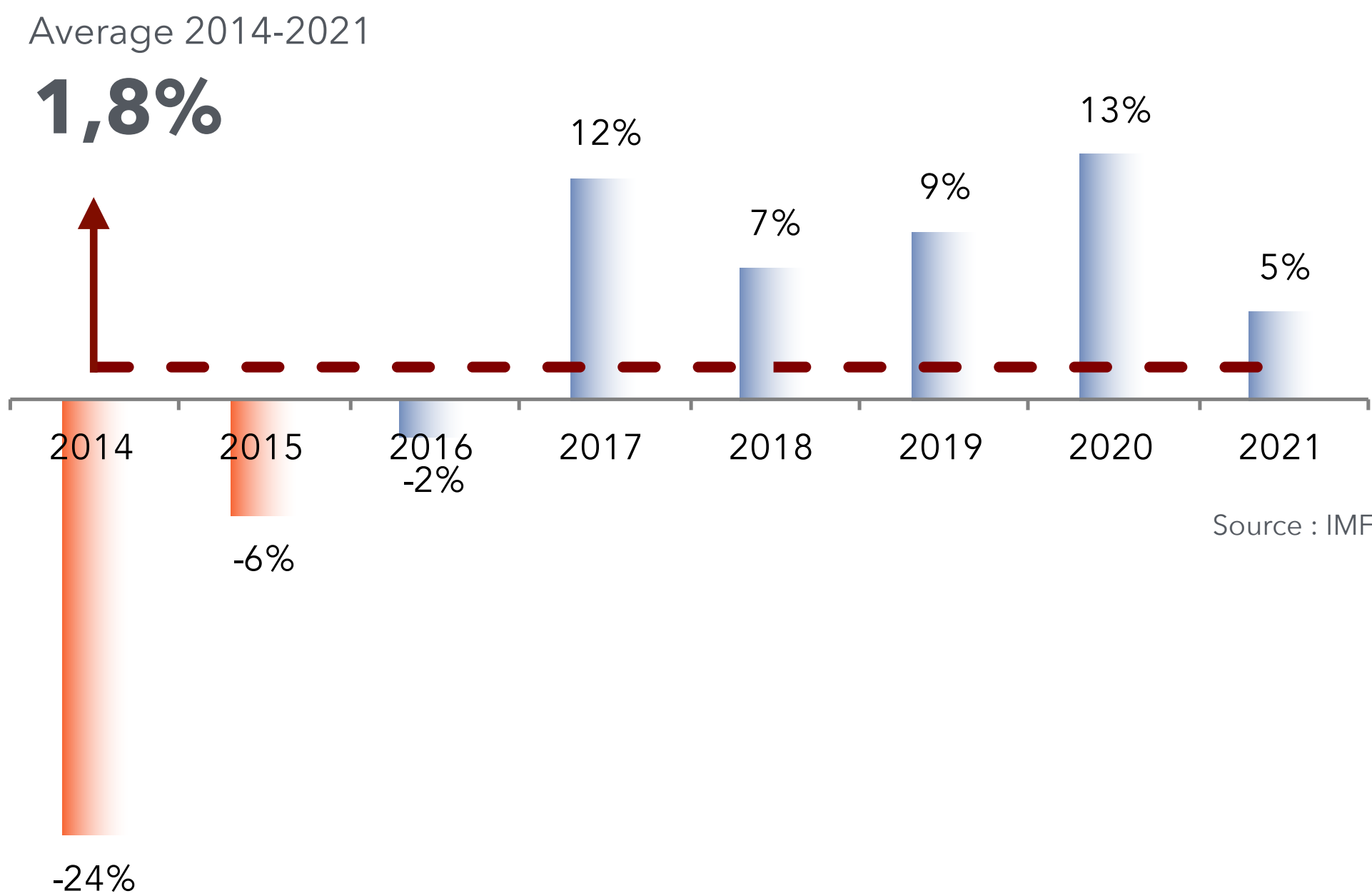
LIBYA



- Fifth largest oil reserve
- A country to rebuild but low oil price represents a tremendous obstacle
- Ports have re-opened, precarious yet stable logistics
- The Libyan financial sector is still inefficient

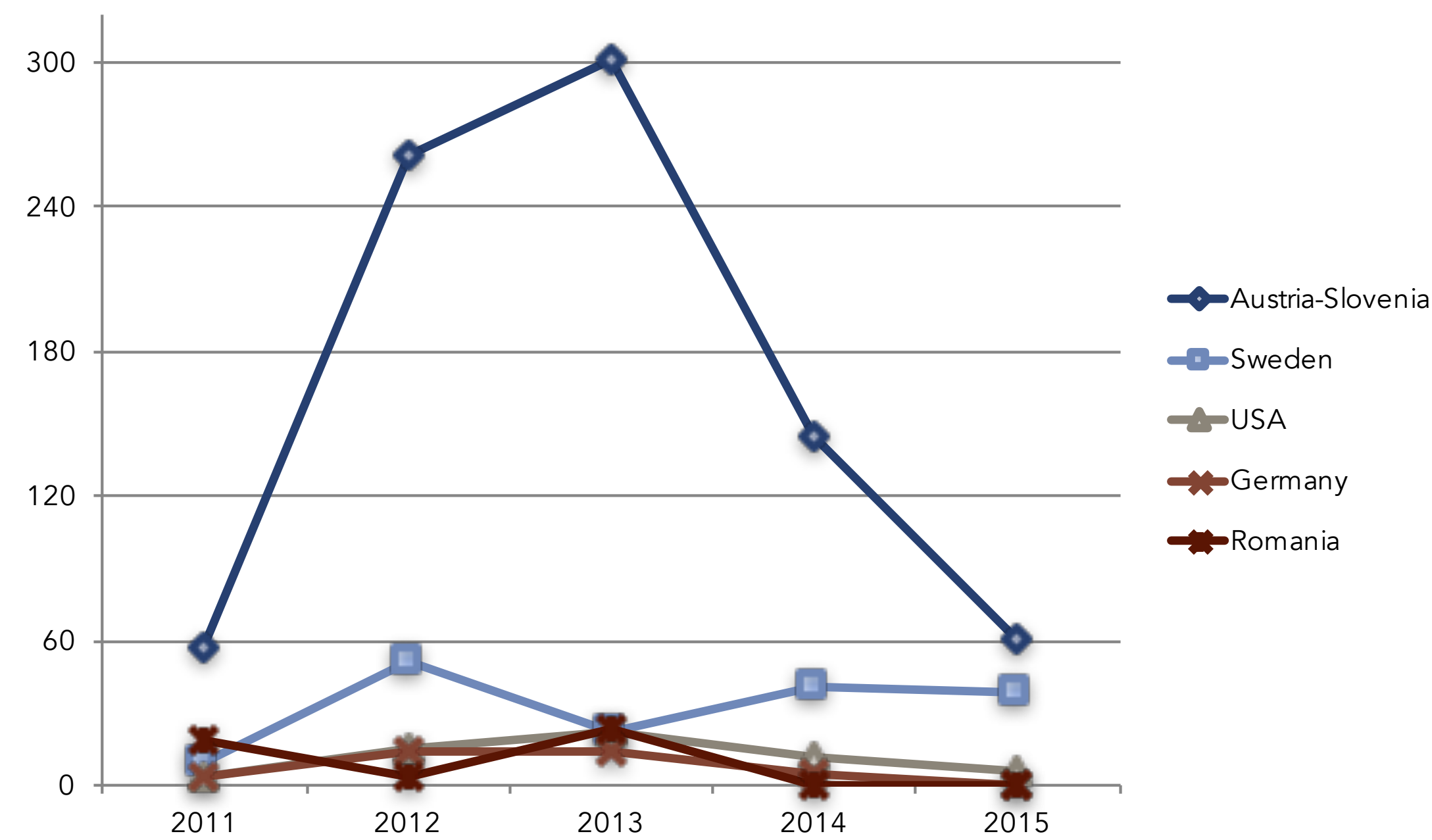
REAL GDP GROWTH RATE

GDP IN 2015 : \$38 BILLION

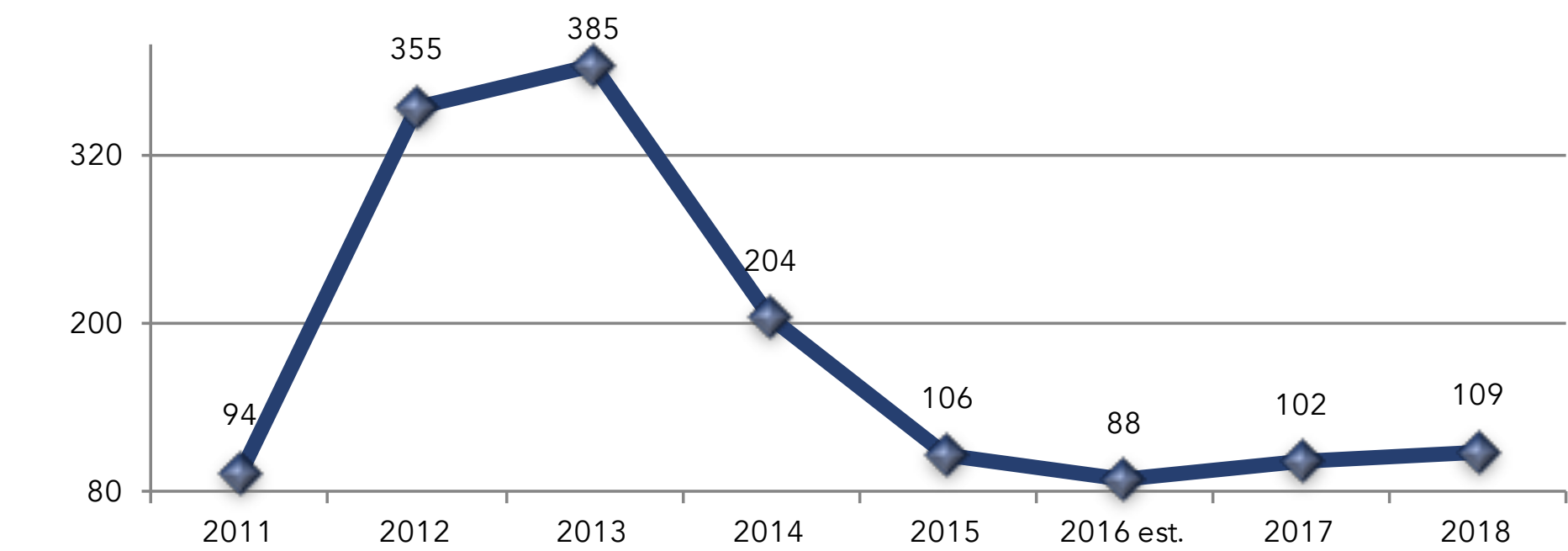


OUTLOOK FOR LIBYAN TIMBER MARKET

Main Exporters to Libya (1000 m³)



Libyan Softwood Import (1000 m³)



+

Enormous housing and infrastructure needs
Low stock of softwood

-

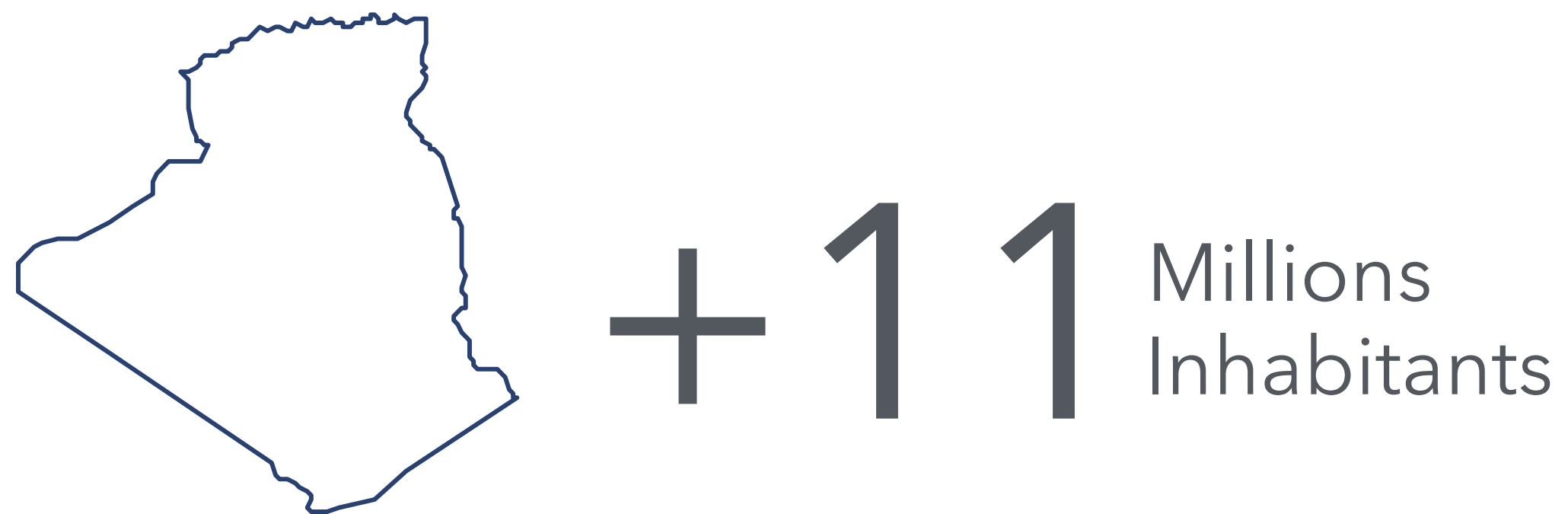
Payment issues for imports: forbidden to pay for building materials through Libyan banks
Cheap oil prices, problematic for growth prospects

?

How to get paid?
No clear vision on how/why the current situation will get better

Sources: WOODSTAT AB /
Company data, Comarbois Estimates

TUNISIA



Ease to do business

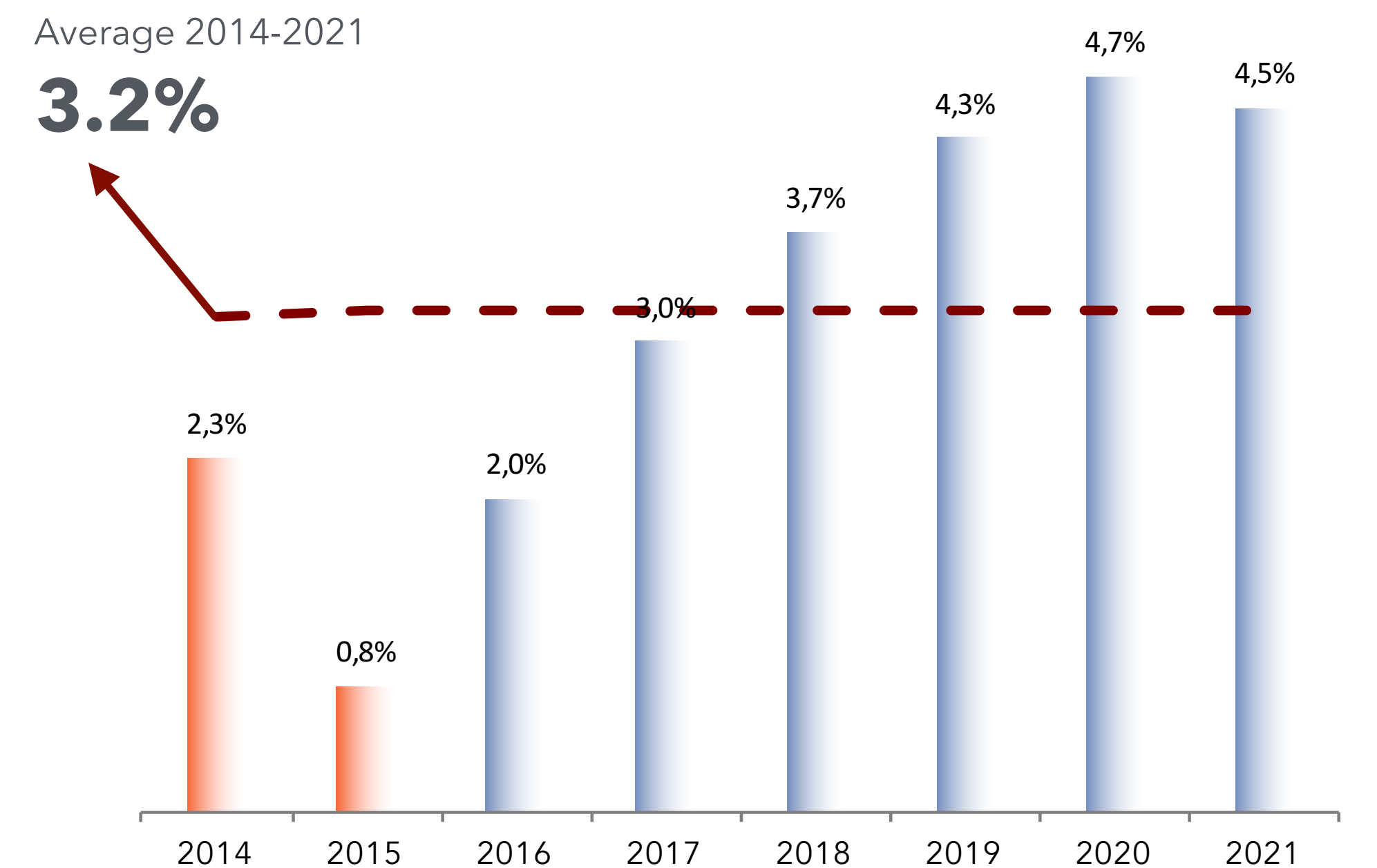
Economy dangerously correlated with tourism: 2 deadly terrorist attacks in 2015

Unemployment: 15% in 2016

The willingness of the new Prime Minister to disrupt the economy seems real

REAL GDP GROWTH RATE

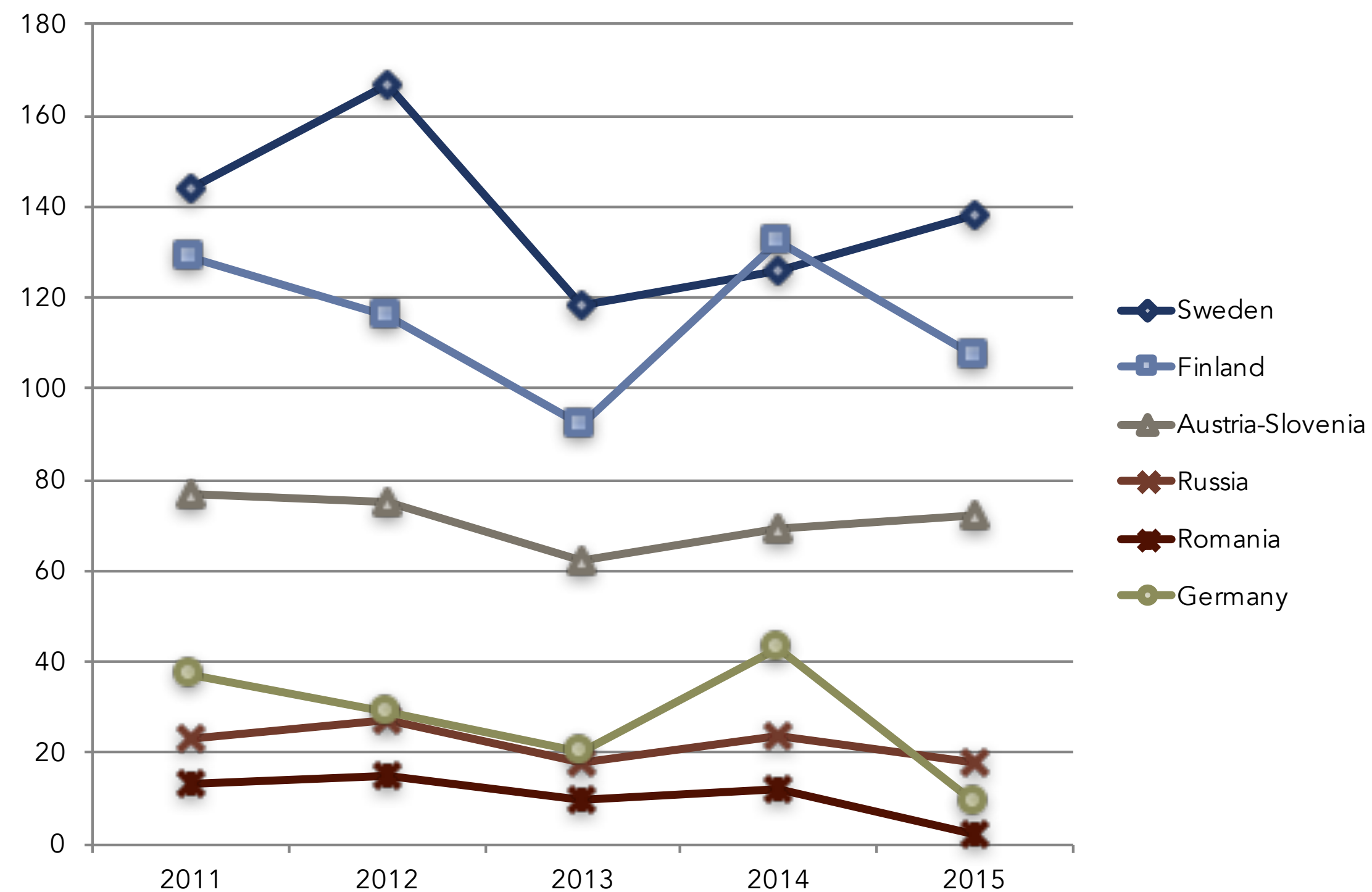
GDP IN 2015 : \$44 BILLION



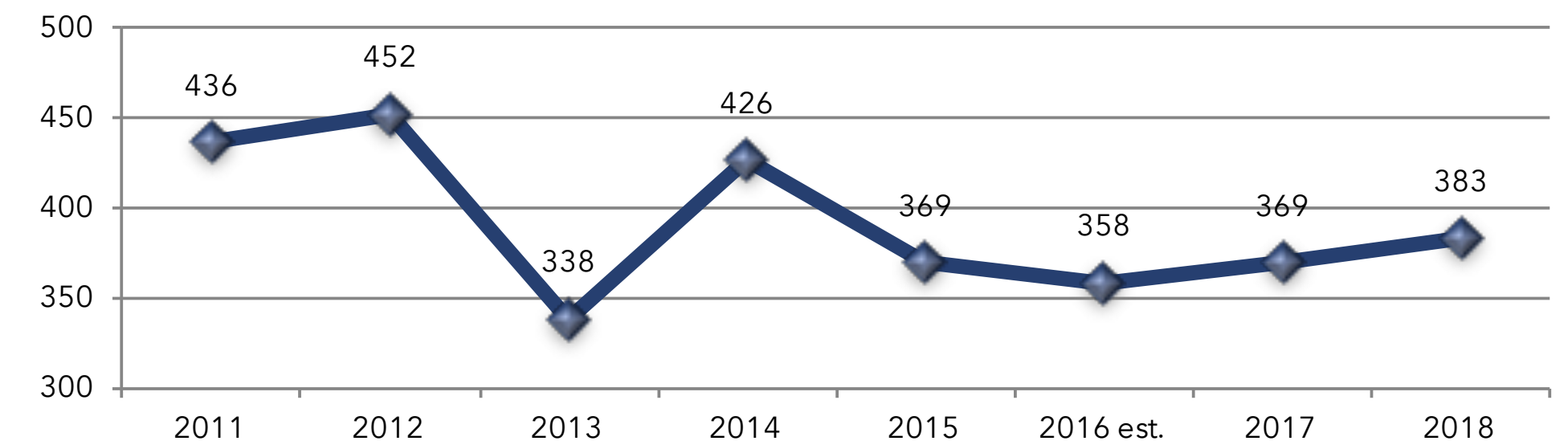
Source : IMF

OUTLOOK FOR TUNISIAN TIMBER MARKET

Main Exporters to Tunisia (1000 m³)



Tunisian Softwood Import (1000 m³)



+

A logistic platform to supply Algeria & Libya
An educated population in a country that must reborn
Well structured softwood importers

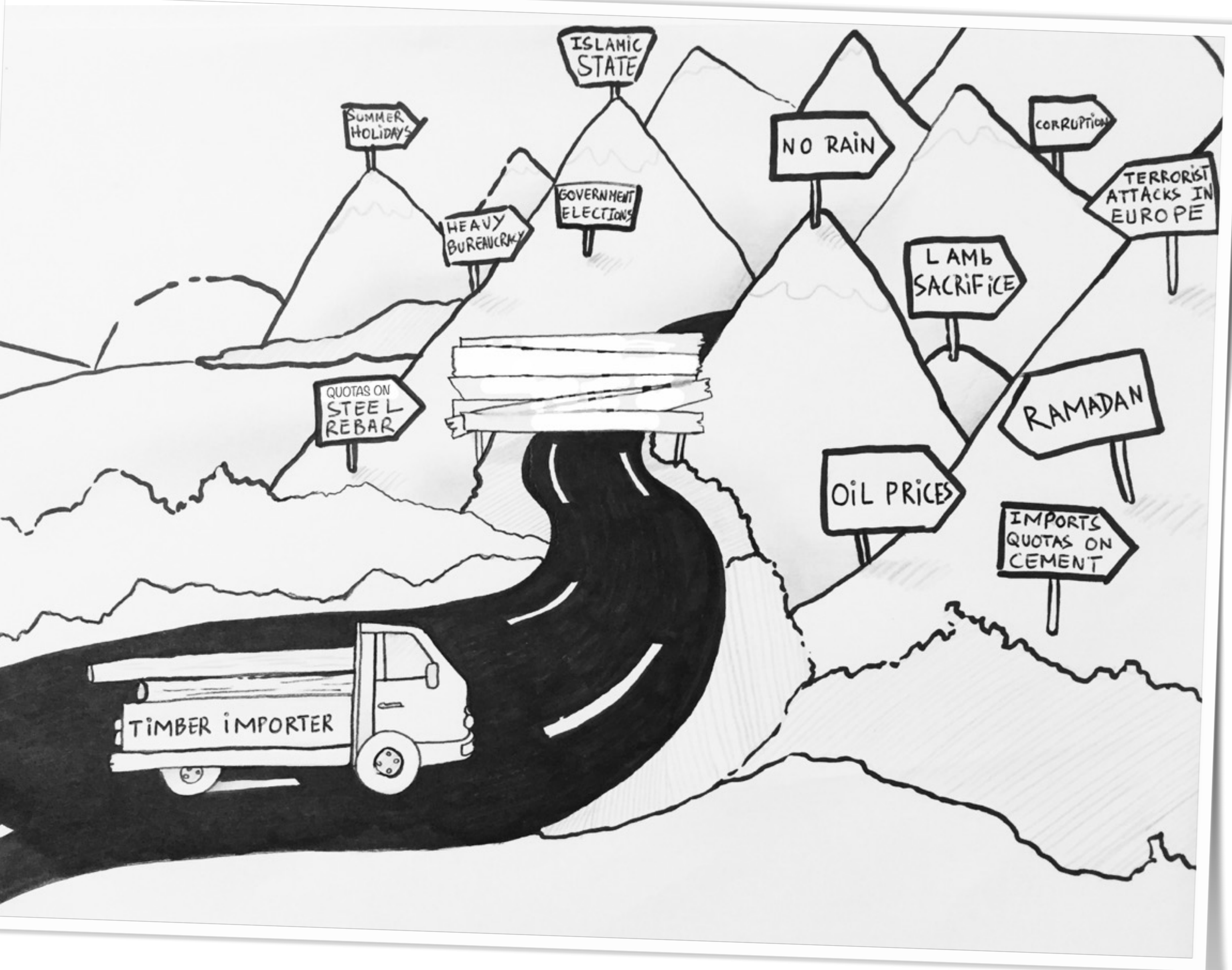
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A small softwood market
Use of substitutes

?

How to restore trust with international tourists?

Sources: WOODSTAT AB /
Company data, Comarbois Estimates



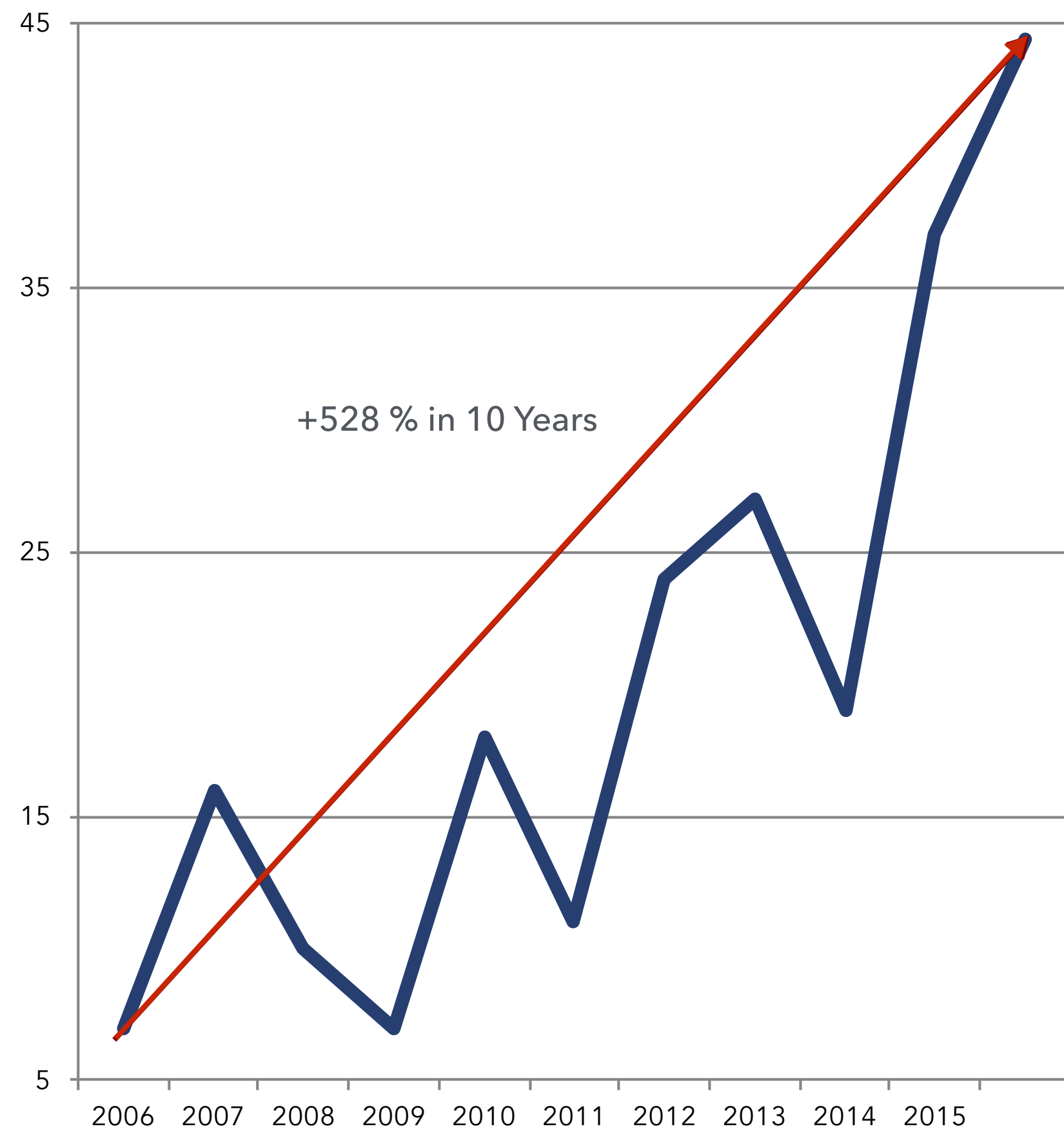
Conclusion

If you have any questions, feel free to contact me:
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HEADING TOWARDS AFRICA

A real sustainable opportunity or a blurry mirage ?

Ethiopian Softwood Imports from Austria & Germany (1000 m³)



Ethiopian GDP Growth in
2015: +10%

Source : Woodstat AB

