
1 October 2008

Billerud starts negotiations to cut production at Gruvön mill

Billerud started statutory negotiations (MBL) with the trade unions today concerning a reduction in production at Gruvön mill in Värmland. Production on PM3 at Gruvön will stop until further notice. Annual production on PM3 amounts to around 15,000 tonnes of MG paper.

“Our goal is profitable and long-term supplies of the best products to our customers. We must therefore always adapt our activities to current cost levels and market conditions. Until further notice, we will therefore now focus our production on our most cost-effective machines and that means taking PM3 temporarily out of production. These changes will mean the loss of 16 jobs. We expect to solve this via natural job turnover,” says Per Lindberg, President and CEO of Billerud.

Gruvön mill in Värmland, Sweden, has around 1,000 employees and total production capacity of around 685,000 tonnes of which around 115,000 tonnes are market pulp, 130,000 tonnes are kraft paper and 440,000 tonnes are containerboard.

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Billerud is a packaging paper company. The company's business concept is to offer demanding customers packaging material and solutions that promote and protect their products - packaging that is attractive, strong and made of renewable material. Billerud has a world-leading position in several product segments, both within paper for consumer packaging and for industrial applications. Billerud's production takes place at the Group's three integrated pulp and paper mills in Sweden and at a mill in the UK paper.