

# Alliance

German timber export agency Kullik & Rullmann's "alliance" of sawmills is seeing a large increase in its UK sales. Stephen Powney reports

# targets UK

One of the major German timber players in the UK market is an "alliance" of sawmills. Export agency Kullik & Rullmann has 15 mills on its books and has been active in the UK since the mid-1990s. Its export volumes to the UK have increased greatly since establishing an office here in 2004.

UK sales have doubled in the past six months and stand in "double figures" in millions of euros, representing one-third of the agency's total business.

Its customers include Woodbridge, John Brash, Rowlinsons and many small merchants, while the product portfolio includes scaffold boards, CLS, carcassing, fence posts, laminated products, pressure-treated wood and various hardwood products.

"In the last nine months business has taken off," said Lawrence Webster, the company's UK representative. "There is a lot of investment in sawmills in

Kullik & Rullmann brand. Many are family owned, where often the mum is doing the bookkeeping and dad is in charge of the technical side and doing sales on a cell phone."

Mr Kullik described the agency as an "alliance", because it was more strategic than a conventional agent and involved in branding and marketing.

He said the agency gave mills the advantage of not having to worry about languages, documentation and logistics for their export trade, while UK buyers could benefit from Kullik & Rullmann's influence on the mills.

Mr Kullik said the conservative nature of the UK market is suited to German mills. "We are very conservative, so it makes it difficult to deal with the Chinese and Taiwanese. But the UK philosophy is similar to the German philosophy."

The downside of this, he added, was selling and promoting new products, especially laminated products, because the market was not able to accept changes so easily. The result is that some products need time and trial loads to establish themselves in the UK market.

Mr Webster admitted that some sceptics are questioning how long Germany will remain a large supplier to the UK.

"There is an oversupply on the market," he said.

"The Canadians have come back in and the German volumes are getting quite big now. People who are not involved in the market [for German timber] say the Germans will disappear within the next 18 months."

"But the investment in Germany is so big that the mills need the UK market, because the UK is one of the professional markets which can buy large volumes on limited specification."

He said Kullik & Rullmann's biggest sales in the UK were CLS, C16 and 36x225mm scaffold boards. "We are finding that customers like the product." As well as timber quality, he said customers liked the weatherproof wrapping on loads, which allows wood to be stored on quays where there is not enough undercover storage.

The majority of trade is currently by truck. This ability of German mills to send single lorry loads, Mr Webster said, was causing some nervousness in the UK trade, with the fear that merchants might deal direct with smaller mills. But Kullik & Rullmann does expect to see more breakbulk vessels loading in the future. ■

## SUMMARY

- Kullik & Rullman opened a UK office in 2004.
- Its UK sales have doubled in the past six months.
- Three agency mills have been certified to produce C16/C24 in the last 18 months.



Far left: German CLS produced by the alliance

Left: a wrapped load produced by Schilling

Germany and new mills are appearing everywhere."

As well as mill investment, he said a glut of logs created by Hurricane Kyrill in January, the rise in UK timber prices and a downturn in the US housing market had all led to more German export interest in Britain.

"The new German technology in kiln-dried timber and planing helps these mills to be able to compete with Scandinavian and Baltic mills," added Carsten Kullik, the agency's CEO.

"Germany has built more and more modern, hi-tech sawmills and they can produce standard sizes in big volumes. This has not been the case in the past."

The largest single producer on the company's books is central Germany-based Pieper, which has an annual production of about 500,000m<sup>3</sup>. Others in the alliance include Gelo, Schiller and Schilling, with the majority situated in the south-east of the country.

Three mills have been certified to produce C16/C24 carcassing in the past 18 months.

"We are an export agency but our philosophy is to act like an alliance," Mr Kullik said. "There are medium-size to big-size mills and we sell under the