Arauco Continues North American Investment Program

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Arauco is one of the most important companies in South America, and bases their business on producing forestry products from company-owned and sustainably managed forests in Chile, Brazil, Argentina and Uruguay. The company is a global leader in market pulp, plywood and millwork, an important lumber producer, a major generator of electricity from biomass, and the second largest producer of composite panels in the world.

Arauco recently departed from their historical pattern of investing in activities that were directly tied to and supported by their substantial holdings of timberland by acquiring Flakeboard that was a pure play composite panel producer with 7 mills in North America. With this investment, Arauco intends to leverage off other key attributes such as their experience in large-scale continuous press technology, forward integration into value-add decorative finishing and backward integration into decorative paper treating, resin production and energy from biomass.

Arauco believes that with investments to modernize the mill set at Flakeboard and when required, build new green field facilities, they can be part of the necessary steps that will not only support the existing downstream users of composite panels but also encourage the return of furniture manufacturing back to North American shores.