At present the operating environment of sawmills in Europe is changing and there are uncertainties related in raw material supply in many countries. The changes in the operating environment of roundwood markets and the effects followed by these changes have brought up several interesting issues from the viewpoint of research. Lately new factors have been influencing the roundwood markets, such as increasing interest towards wood-based energy and implementation of new energy policies as well as changes in wood trade flows that affect the domestic markets in many countries. This Master’s thesis studies the adaptation ability of Finnish roundwood markets in a changing operating environment, aiming to produce an up-to-date analysis considering new development trends. The study concentrates on the roundwood markets from the viewpoint of sawmill industry since the industry is dependent on the functioning of the markets and sawmills are highly affected by the changes on the roundwood markets.

To facilitate international comparison, the study is implemented by comparing Finnish and Austrian roundwood markets and analysing changes happening in the two countries. Finland and Austria share rather similar characteristics in the roundwood market structures; forest resources and forest ownership as well as production of roundwood and sawnwood. In addition they both are big exporters of forest industry products. In this study changes in the operating environment of sawmill industry both in Finland as well as in Austria are compared to each other aiming to recognise the main similarities and differences between the countries. In addition both development possibilities as well as challenges followed by the changes are discussed. The aim of the study is to define the main challenges and possibilities confronted by the actors on the markets and also to find new perspectives to approach these.

The study is implemented as a qualitative study. The theoretical framework of the study describes the operating environment of wood markets from the viewpoint of the sawmill industry and represents the effects of supply and demand on the wood markets. The primary research material of the study was gathered by interviewing high level experts of forestry and sawmill industry in both Finland and Austria. The aim was to receive as extensive country specific viewpoint from the markets as possible, hence interviewees represented different parties of the markets. After creating country-specific profiles based on the theoretical framework a cross-country comparison was implemented. As a consequence the main similarities and differences in the operating environment and on the roundwood markets of Finland and Austria were recognized. In addition the main challenges and possibilities were identified. The results of the study offer a wide analysis regarding the main similarities and differences of the wood markets of Finland and Austria and their operating environments as well as concerning challenges and possibilities faced on the markets.