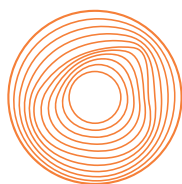




Annual Report 2025/2026



**SAWMILLING
SOUTH AFRICA**
We saw the future

SAWMILLING SOUTH AFRICA

ANNUAL REPORT | 2025/2026

CHAIRMANS REPORT | Craig Rance

Introduction

It is my privilege to present the Chairman's Report for the South African sawmilling industry for the 2025/2026 year. Reflecting on the year under review, it is evident that our industry has continued to navigate a complex and demanding operating environment. Economic uncertainty, infrastructure challenges, logistics pressures, input cost escalation, criminal activity and a lack of compliance enforcement have tested the resilience of businesses throughout the forestry value chain. Thankfully the lumber market has seen an uptick since the middle of 2025 onwards which has brought some optimism back into the sawmilling sector.

Importance of the sawmilling sector in South Africa

The sawmilling sector delivers value far beyond the production of sawn timber, serving as a critical foundation for numerous downstream industries across South Africa. The construction sector relies on sawmilling products for structural timber, roof trusses, and a range of building materials and applications that support housing and infrastructure development. The furniture and joinery industries depend on a reliable supply of locally processed timber to manufacture products such as furniture, cabinetry, doors, windows and interior fittings, creating additional value and employment throughout the manufacturing value chain.

The sector also makes a significant contribution to the packaging industry through the supply of timber used in pallets, crates and industrial packaging solutions that support agriculture, manufacturing and export markets. In addition, sawmills maximise resource efficiency through the utilisation of biomass products and by-products such as woodchips, shavings, sawdust and bark. These materials support industries including pulp and paper, composite wood products, animal bedding, landscaping and renewable energy applications, ensuring greater value is extracted from every harvested tree.

The sawmilling industry therefore forms part of a wider forestry ecosystem that contributes to export earnings, regional development, and investment into productive land use. This relationship illustrates the economic multiplier effect of the industry supporting a range of businesses and sectors vertically and horizontally in the value chain. Timber therefore remains a renewable, versatile and increasingly important material, particularly as the world places greater emphasis on sustainability and lower-carbon construction solutions.

Economic and lumber market conditions

The period from mid-2025 to mid-2026 was characterised by cautious economic recovery in South Africa, although growth remained modest and below levels required to drive substantial expansion in employment and industrial activity. The economy showed signs of improvement compared with previous years, supported by improving electricity reliability, ongoing structural reforms and strengthening business confidence.

Despite these improvements, the broader operating environment remained challenging. Logistics inefficiencies, infrastructure limitations, transport constraints and global trade uncertainty continued to weigh on economic performance and business sentiment. Inflationary pressures moderated relative to previous periods, helping support consumer activity and investment, although businesses remained cautious regarding long-term growth prospects.

For the South African lumber market, conditions remained mixed during the reporting period. Demand across construction, manufacturing and industrial sectors showed uneven performance. There have been shoots of optimism and some encouraging signs of recovery, however the market also continued to experience pressure from rising operating costs.

The year therefore reflected a period of slow recovery rather than rapid growth. Although operating conditions remained demanding, the sector continues to push on and grasps windows of opportunities in favourable trading conditions as they occur.

Strength in numbers

As individual businesses continue to manage operational challenges, there is another matter equally important to our future success – the collective strength of our industry.

As members of a sector that faces common challenges and opportunities, it is critical that sawmills continue to remain united through their industry association. Associations exist not simply as administrative structures, but as the collective voice of our industry. Their strength, influence and effectiveness depend directly on the commitment and active participation of members.

In an increasingly complex regulatory and commercial environment, no single business can effectively address all industry issues alone. Matters such as policy engagement, transport infrastructure, industry standards, sustainability initiatives and long-term strategic planning require coordinated representation and unified action. For this reason, continued participation and support from members are essential. Strong associations are built through active membership, constructive engagement and a shared commitment to advancing the interests of the industry as a whole.

Importantly, members should recognise that their contribution extends far beyond annual membership. Associations are strongest when members actively participate in shaping priorities and influencing direction. The association exists to serve its members, and its effectiveness

depends upon open communication and meaningful engagement between members and the executive leadership.

Bear in mind that while industry associations seldom serve every need of their members, being part of a collective can mean the difference between winning or losing when faced with significant challenges.

Executive committee

I would like to extend sincere appreciation and gratitude to those executives and board members who have recently concluded their service and stepped down from their positions – with special mention to Sean Hoatson. Their contribution, leadership and commitment have helped guide the industry through both opportunities and challenges.

To the current and future executive, service at board level often demands considerable time and effort, frequently behind the scenes and without recognition. Thank you for your ongoing commitment to serving the industry's needs.

This will also be my final report as Chairman and Director of Sawmilling South Africa. Serving the industry in these capacities has been both an honour and a privilege. It has provided the opportunity to work alongside passionate and committed individuals who care deeply about the future of our sector. I would like to express my sincere gratitude to Roy Southey and all industry stakeholders with whom I have had the privilege of working and interacting during my tenure. While leadership may change, the importance of the work undertaken by the association remains unchanged. My best wishes therefore go out to the future chairperson and executive.

Closing

The message is clear: remain resilient in the face of operating challenges, be patient and ready to take advantage of opportunities as they arise, focus on continuous improvement in your organisations, and lastly, stand together and remain united in the face of threats and in pursuit of shared goals and long-term sustainability.

Thank you, and my very best wishes to you all.

Yours in Sawmilling,

Craig Rance

Outgoing Chairman

Sawmilling South Africa

EXECUTIVE DIRECTOR'S REPORT | Roy Southey

1) MEMBERSHIP

2025/26 has been an extremely tough year for the sawmilling sector, mainly as a result of a depressed local market. Despite the challenging times, sawmillers have found ways – if not to remain financially viable – to survive and face what is hoped will be a better future. This is a wonderful attribute of the South Africa sawmiller that many rural communities appreciate, as sawmills currently provide employment for over 35,000 people and this in turn supports a further +/-300,000 family members and dependants.

There are approximately 250 sawmills in South Africa, including large corporate mills, owner-run mills (formal mills) as well as small mills that may not yet have boilers and kilns. Many of these are SMMEs sawmilling in the sector (informal mills). Sawmilling South Africa represents over 90% of the formal mills and a good proportion of the informal mills. However, we still battle to recruit the majority of the SMME mills and understand that the majority of these mills prefer to operate “under the radar”, so to speak.

Added to this is a recent proliferation of “Roadside Sawmills”. These are mills that do not register with any local authority, do not contribute to WCA, do not pay tax and sell ungraded, inferior product chiefly to a vulnerable consumer. This is a worrying development and one that SSA is attempting to bring to the notice of the relevant authorities, as well as addressing those who would like to and have the potential to become registered informal sawmillers.

2) FINANCIAL

The association is in a healthy financial position as can be seen from the annual statements prepared by our accountants, Moore's of George.

It is immediately evident from the numbers below that the formal structural sawmills are struggling to keep their heads above water at 2.5%. Smaller “industrial” sawmills are faring a little better due mainly to the fact that their input costs are much lower.

SIZE OF THE SOUTH AFRICAN SAWMILLING SECTOR BASED ON PRODUCTION VOLUMES (estimate)

	2023	2024	2025
Total structural softwood	1 528		
(excluding imports)	114	1 571 722	1 616 286
Non-structural estimate	608 713	608 713	684 769
Hardwood sawmills	234 900	234 900	234 900
<u>TOTAL SOFTWOOD AND</u>	<u>2 371</u>		
<u>HARDWOOD</u>	<u>727</u>	<u>2 415 335</u>	<u>2 535 955</u>

EMPLOYMENT IN SAWMILLING SECTOR (based on productivity factor, excluding Eswatini)

	2023	2024	2025
Softwood sawmills estimate	13 532	14 131	14 649
Hardwood sawmills estimate	1 586	1 586	1 495
<u>TOTAL DIRECT JOBS</u>	<u>15 118</u>	<u>15 717</u>	<u>16 144</u>

Note - these numbers do not include many of the of informal mills and no roadside mills.

The Estimate of the Total employment of the sector is 36,000

ESTIMATED SECTOR PROFITABILITY

		EBIT (R/m ³)	Volume (m ³)	Rands	Turnover	Profit (%)
Structural softwood	2023	58	1 528 114	87 932 241	5 918 824 802	1,49%
Non-structural softwood	2023	667	608 713	405 763 784	2 141 601 812	18,95%
Structural softwood	2024	17	1 571 722	25 970 906	6 177 376 546	0,42%
Non-structural softwood	2024	189	608 713	115 101 432	2 205 938 395	5,22%
Structural softwood	2025	106	1 616 286	171 490 801	6 728 344 606	2,55%
Non-structural softwood	2025	255	684 769	174 320 081	2 404 076 429	7,25%

3) EXPORT

2025 saw us being invited to the Presidentially led Outward South African Promotion and Sales mission to Vietnam along with several other agricultural sectors from the country. While the presence of the presidents of both countries did indeed attract a certain amount of interest from potential wood-based industries in Vietnam, the response to our attendance was limited, as the majority of wood-based manufacturing takes place in Ho Chi Minh City and the delegation met in Hanoi city. Contacts, however, were made with a number of persons who would arrange further contact with timber merchants and manufacturers. Most timber used in Vietnam is destined for the furniture sector and very little structural timber is traded outside of the local supply

The AGM will have a Finnish flavour this year, built around a visit of officials and players from the Finnish forest and sawmilling sector and will include presentations and addresses from the Finnish Ambassador to South Africa as well as the deputy CEO of Finnfund and various other players in the Finnish forestry sector.

As you are well aware, the Finnish sector and their sawmill products are major players and very influential in the international solid wood sector, and we are sure that their officials can teach us about entering and being part of the international scene.

4) SKILLS DEVELOPMENT

Report by Dianne Randall

The following occupational qualifications have been developed and successfully registered with SAQA for the lumber milling industry:

a) Wood processing machine operators

b) Full occupational qualifications:

- Wood Processing Machine Operator
- Dry Mill Machine Operator Occupational Qualifications

c) Part occupational qualifications

- Log Yard Machine Operator
- Wet Mill Machine Operator

All learning material and External Integrated Assessment documents have been completed by Dr LM Grobler and approved by FP&M SETA. The material is available for the sector to access free of charge from FP&M SETA.

So far, I believe only two training providers have been accredited for these qualifications, and no learners have been enrolled against these qualifications.

d) Dry kiln operators

- Full occupational qualification
- Dry Kiln Operator

Dr Peter Stohr has handed the completed learning material to Joy Crane, who is amending it into prescribed format. This should have been completed by April this year and submitted to the FP&M SETA for quality assurance.

As yet, no training providers have been accredited and to date no learners have been enrolled.

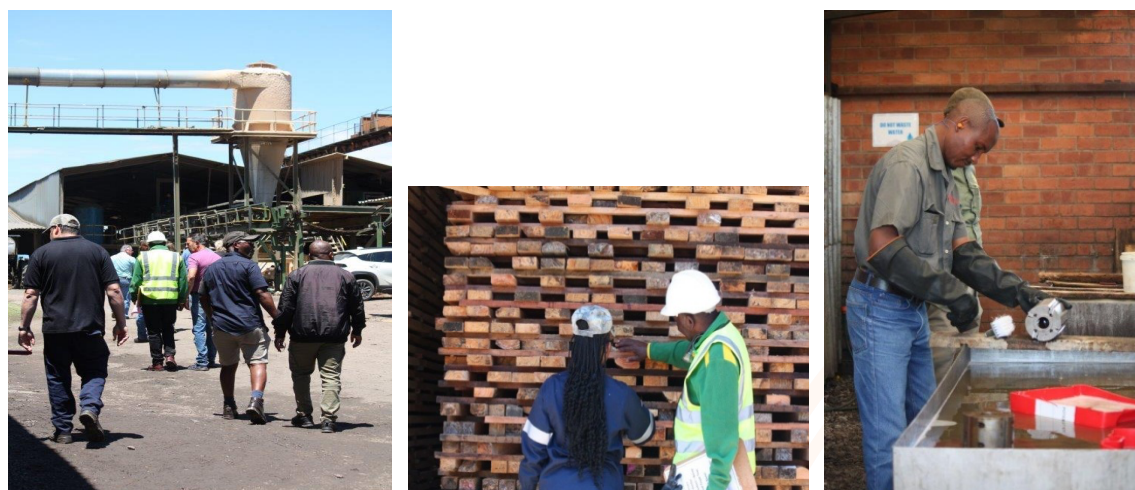
e) Saw doctors

- Full occupational qualification developed as trade
- Saw Doctor

- Saw Doctor as a trade was registered in August 2019 and was developed as a trade by the National Artisan Moderation Board (NAMB). The Technical Working Group (TWG) began the process of the development of the trade test with NAMB in July 2022 and has completed in draft the preparation for the Trade Test Pilot Programme.
- The Pilot Programme for the trade test development for Saw Doctor took place in Pietermaritzburg from 17–21 November 2025. The attendees were representatives of the FP&M SETA, NAMB, QCTO, Sawmilling SA, the Technical Working Group and candidates, who were sector expert specialists in Saw Doctoring.



- The programme began with the candidates writing the theory papers at the Plessislaer campus of the Umgungundlovu TVET College. Practical tasks were conducted at Saw Specialist's premises in Pietermaritzburg and Bracken Sawmill in Greytown.



Interactive consultation and practical tasks at Bracken Timbers sawmill in Greytown, KwaZulu-Natal and Saw Specialist premises in Pietermaritzburg.



NAMB, FP&M SETA, QCTO, Sawmilling SA and TWG representatives and candidates at Bracken Timbers Sawmill in Greytown, KwaZulu-Natal

- A comprehensive and successful week concluded with documentation produced for submission by NAMB to QCTO for approval. Sawmilling SA is still awaiting feedback.

f) Accreditation of skills development practitioners, assessors/moderators and trade test centres

- SDPs (private training providers or public TVET Colleges) need to be accredited for the facilitation of the trade test curriculum.
- Trade Test (Assessment) centres need to be identified and accredited
- The most significant challenge to the implementation of the Saw Doctor Trade Test relates to the practical assessment, which requires a comprehensively resourced saw shop. Such an assessment centre is not a reality and would cost an exorbitant amount to set up. Therefore, the lumber milling sector will need to find inventive, workable and inclusive solutions that can ensure the certification of current saw doctors for Artisan Recognition of Prior Learning (ARPL) and the development of future Saw Doctor artisans.
- A public/private partnership with Umgungundlovu TVET College and a resident saw shop is being investigated while experts in the field are being sourced to be registered as assessors and moderators.
- All learning material will be finalised and submitted to FP&M SETA for quality assurance by June this year and will be available for the sector to access free of charge.

g) Additional skills programme and qualifications development application approved

- Benchman is to be developed into a skills programme by the FP&M SETA, which is in the process of reaching out to the sector for a scoping meeting.
- Wood Preparer and Treater: (Specialisations: Wood Treating Dipper; Timber Treatment Worker; Wood Seasoner; Timber Treatment Plant Operator)
- Wood Machinist (Specialisation: Woodworking Machine Set-up Operator; Chip Board Operator)

These qualifications will need to be developed. FP&M SETA will be developing these Occupational Qualifications in-house. It will be up to the lumber milling sector's participation to ensure that FP&M SETA is able to fulfil the development of these programmes.

5) GOVERNMENT

Much of what we do revolves around interaction and co-operation with government departments and we make it our business to ensure that the sawmilling sector receives its rightful recognition and slice of the attention from those departments that effect our well-being and viability. The last two years saw a major shift in the attitude of government towards industry following the formation of the Government of National Unity (GNU). While the country is still coming to grips with this concept and departments are finding out what it is to not only be beholden to the ANC, we are starting to see a much broader perspective, which is good not only for our sector but the country as a whole. Director Generals and Deputy Director Generals have to look a little broader now when taking decisions, which sometimes makes life a little more interesting.

We still do the bulk of our governmental interaction with the DTIC's office of Forest Industry processing under Mrs Tafadzwa Nyanzunda and July Mokoena, both of whom are very supportive of our and the other associations' efforts at promoting the increased use of timber in the built environment. The DTIC also support and underwrite much of the research and promotion work being done by the York Chair of Timber Engineering at the University of Pretoria.

a) Department of Forestry, Fisheries and Environment and the Forestry Master Plan

The Forestry Master Plan (FMP) is driven by the dtic and includes both industry of both industry (SSA, Forestry South Africa (FSA), the Paper and Allied Manufacturers of South Africa (PAMSA), the South African Wood Preservers Association of South Africa (SAWPA), South African Utility Poles (SAUPA) and the South African Furniture Initiative), Labour and Government including DFFE, the dtic, Department of Labour and Treasury.

It is tasked with addressing development of the sector including investment and job creation. 2025 has been a frustrating year for the sector about engagement with what is essentially our ministry and its officials. In fact we have had little interaction other than our shared platform on the FMP. The FMP is currently being re-evaluated as the majority of, certainly our KFAs are nearing completion. There is continued effort being dedicated to the promotion of the use of timber in the built environment as well as research into modern and upgraded mass timber development and its use in our country.

The two SSA Initiatives "The WoodApp" and the "Talking Timber Webinars" have been adopted by all in the wood processing sector, including universities, government and industry, and now have a mind of their own, so to speak, and are a dominant feature of the FMP. These two initiatives are playing a huge part in the education and motivation of architects, engineers and specifiers. So, a great success of SSA and the FMP.

b) Forestry Value Chain Forum

The launch of the Forestry Value Chain Forum (FVCF) on 11 March 2026 brought together over 60 industry players, government representatives, and partners to address challenges and unlock opportunities across South Africa's forestry value chain — from timber growing through to pulp, paper, sawn timber, boards, furniture, and wood treatment. Presentations from FVCF members highlighted common constraints including rising costs, infrastructure limitations, regulatory delays, and global competitive pressures. The Deputy Minister of Forestry, Fisheries and the Environment, Bernice Swarts, delivered the keynote, reaffirming government's commitment to fostering an enabling environment for the sector. Facilitated table discussions produced a list of key challenges and practical solutions that will inform the FVCF's priority areas going forward.

c) Department of Water and Sanitation

During the year FSA won its Constitutional Court case against the DWS and the moratorium placed on the issuing of Water Use Licences including Species exchange was lifted as a result. Whilst this heralded good news for the bulk of the timber growers it did not stop officials of the department dragging their heels over the lifting of restrictions, causing much frustration to both growers and users of logs. We are pleased to say that eventually sense prevailed and WUL applications and approvals are almost back on track.

d) Department of Trade, Industry and Competition

As mentioned above, SSA used its good relations with department to address a number of the KRAs it was tasked with under the FMP.

e) Forest Sector Charter Council (FSCC)

The council continues to drive integration in the forest sector and SSA is represented by Lulamile Xate and Roy Southey.

f) Eskom

2025 saw a stabilisation of the power supply from Eskom after a particularly problematic former two years, which has helped sawmillers to regain lost production capacity.

g) Logistics

We are eternally grateful to FSA for the sterling work that Francois Oberholtzer has done for the entire forest sector in getting Transnet to reopen certain rail links and branch lines and making them operational once more. While this certainly benefits many timber growers, in some regions it also benefits sawmillers.

6) TIMBER PROMOTION

a) Webinars

The Talking Timber webinar series continued to be one of SSA's most impactful timber promotion tools during the reporting period, drawing growing participation from architects, structural engineers, and construction professionals. Supported by the University of Pretoria, Stellenbosch University, and the dtic, the series ran two sessions in the period. The November 2025 webinar focused on moisture control, airtightness, and fire performance in timber construction, with presentations from sponsors Rothoblaas and Rhinowood. The March 2026 session – "Is Timber Truly Sustainable?" – featured Professor Ben du Toit (Stellenbosch University) and Dr David Everard (Chairperson of SAFAS), attracting over 100 attendees from 200 registrations and addressing widespread misconceptions around timber's land use and water impacts. All webinars in the series are available on the [SSA YouTube channel](#), with further sessions planned for the remainder of 2026.

b) Growing Timber Connections Colloquium & Conference (September 2025)

Hosted by the York Timbers Chair in Wood Structural Engineering at the University of Pretoria, this annual two-day event brought together architects, timber builders, developers, sustainability specialists, and academics. SSA's communications consultant, Samantha Choles, served as programme director for the day. Two WoodApp CPD workshops ran alongside the colloquium, covering Timber Frame Design & Construction and Timber in Fire & Structural Grading, each offering one validated CPD point. The 2026 edition is scheduled for 14–15 September at Future Africa, Pretoria.

c) Green Building Convention (November 2025)

SSA supported the timber stand co-hosted by the University of Pretoria and the York Timbers Chair, led by Prof. Schalk Grobbelaar and his team. The stand presented timber as a carbon-storing, environmentally regenerative building material, elevating the conversation around sustainable construction and showcasing the potential of South Africa's home-grown timber industry.

d) Other

We continue to place advertisements in building publications, and every year take part in WoodEx. These all raise the profile of both the association and the sawmilling sector.

7) MERGERS AND ACQUISITIONS

There have been two or three significant mergers and accusations in the sawmilling sector, in Mpumalanga, the Eastern Cape and the Southern Cape. This could be seen as an indication of the tough times faced by the sawmilling industry in the past two or three years and the potential identified by investors.

8) SAFETY & SECURITY

An increasing threat to the formal sawmilling sector is the explosion of illegal “roadside sawmills”. While some of these could be classed as potential SMMEs with a bona fide desire to become incorporated into the “formal” sawmilling sector, many of them are nothing short of opportunists who take advantage of the availability of stolen or illegal logs. SSA is working closely with all players in the sector to address this growing threat.

9) TIMBER MARKETING BUREAU

The TMB has shown encouraging growth on the back of an upturn on the JSE over the last year. The last month saw the second tranche of R330 000 of our committed R1 million paid to the York Chair at the University of Pretoria for the ongoing research and development in engineered wood products.

10) CONCLUSION

In short, the 2025/2026 year has been one of resilience, advocacy, and quiet but meaningful progress. Despite a difficult trading environment, SSA has continued to deliver value to its members across every dimension of the association's mandate.

Government relations have been actively maintained across multiple departments, ensuring the sector's voice is heard where it matters. The launch of the Forestry Value Chain Forum has created a powerful new platform for cross-sector collaboration, and SSA was well represented at its inaugural session.

I believe that SSA has remained the ‘lignin’ of the formal sawmilling sector – advocating, promoting, educating, and building the relationships that individual mills cannot build alone.

As green shoots continue to emerge in the market, the association is well positioned to support its members through the recovery and into a stronger future.

Roy Southey

Executive Director |
June 2026

www.sawmillingsa.co.za