

Possibilities for future investments in the forest sector in Russia

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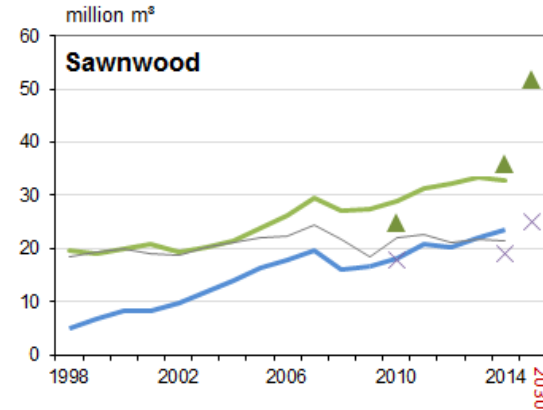
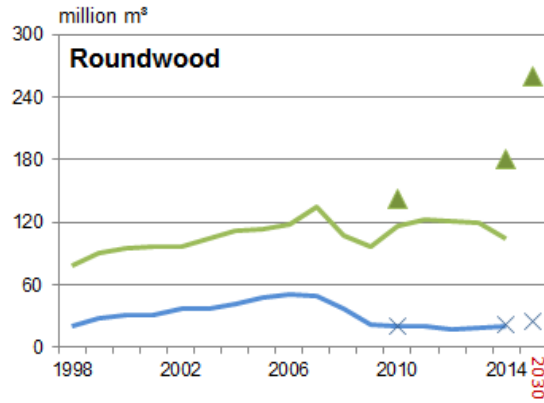
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Russian forest sector Outlook 2030 is not taking into account market demand and forest accessibility

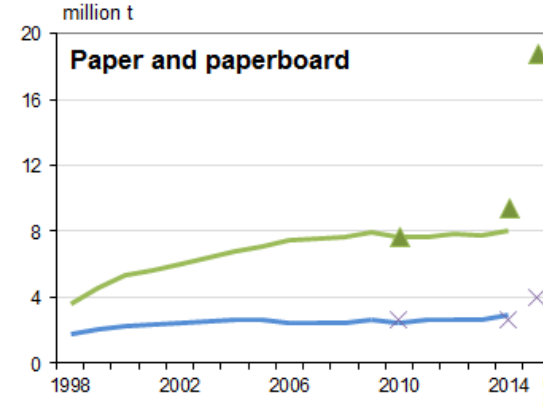
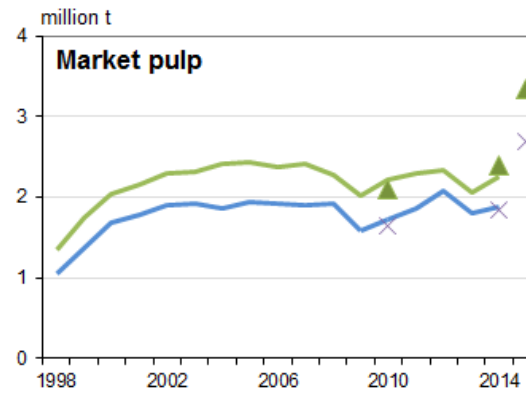
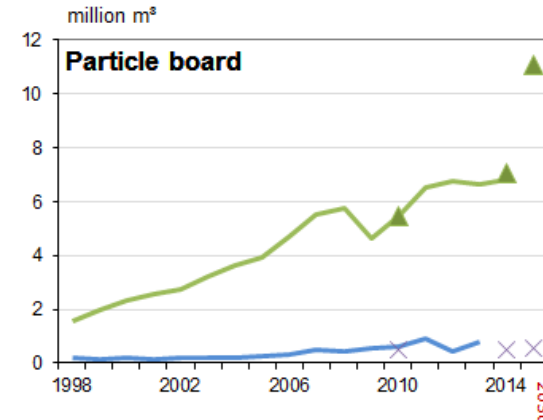
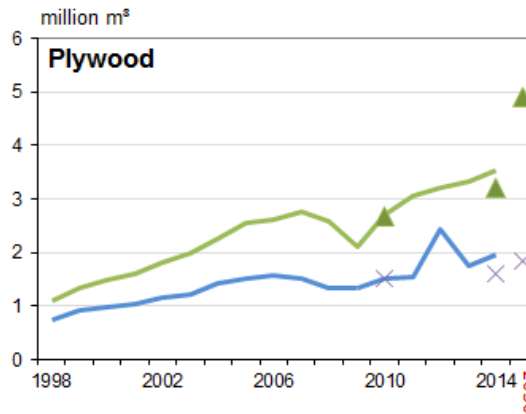
— Production
— Export

FAO Forest Sector Outlook 2030
Estimate "Moderate"

▲ Production
X Export



Grey line: National statistics
Green line: Faostat

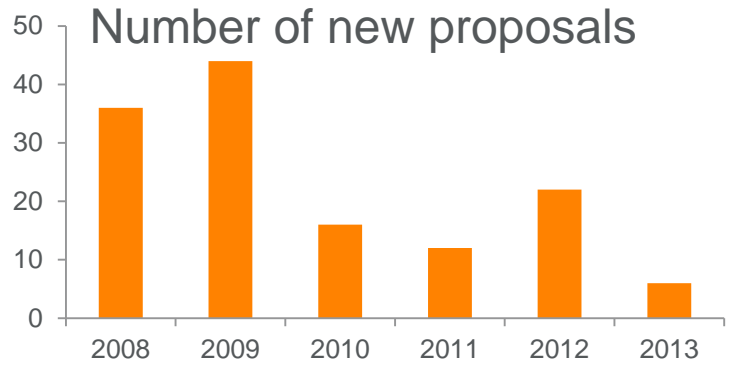
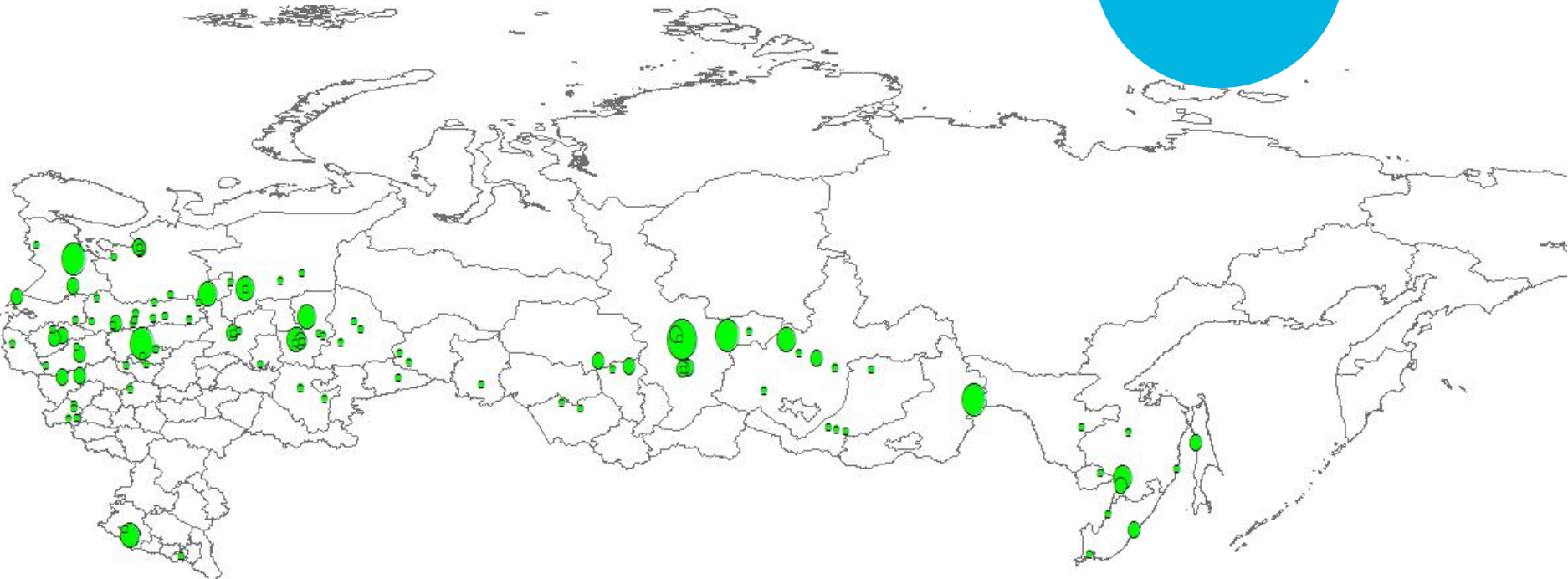
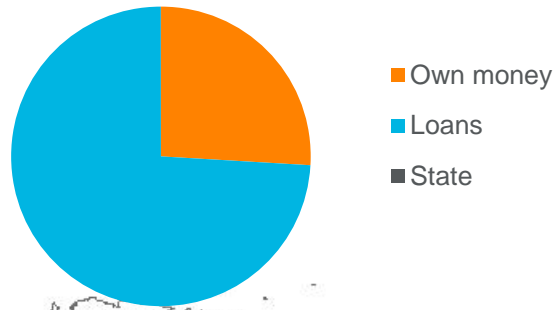


Source: S. Karvinen,
2015: Forest industry
production and export in
Russia

Venäjänsä metsätietopalvelu
www.idanmetsatieto.info

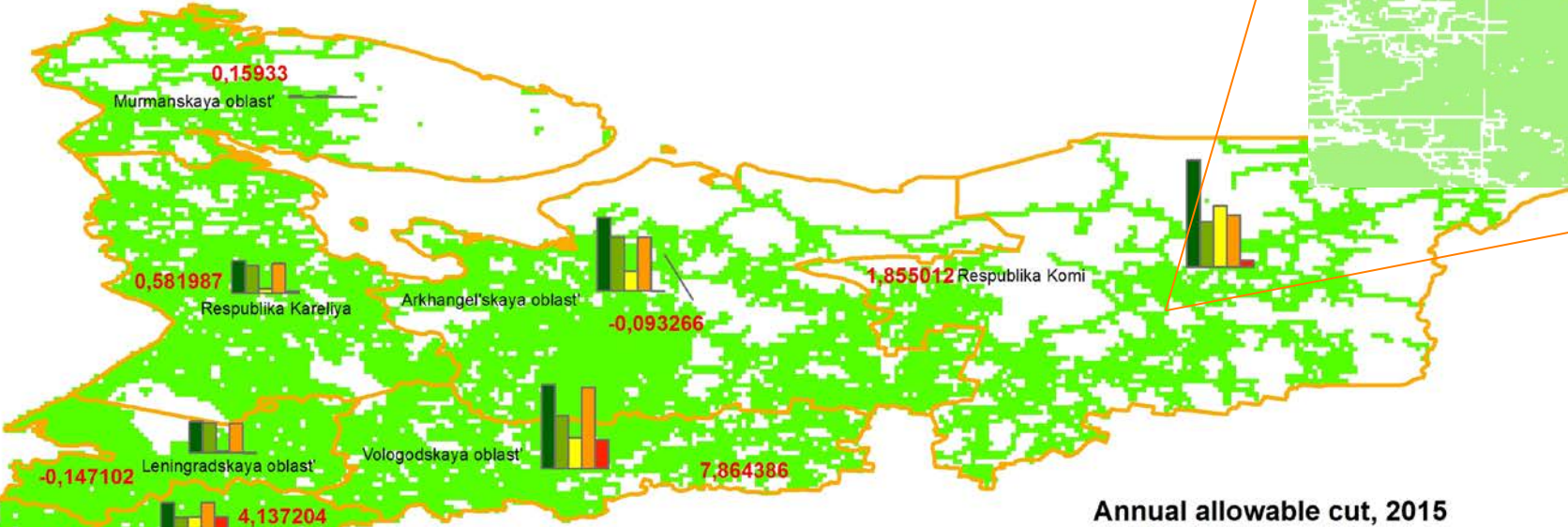


Priority investment projects



- Implementation 2006 – 2021
- Average payback time 6,8 years
- Reserved 71,7 mln.m3 from AAC (10% from whole Russian AAC)
- Actually harvesting 89,1 mln.m3 (46% from whole country harvesting)
- 9 projects were completed

Where there is wood available in 2015?



Data sources:

1. Approved forest management plans
2. Database on wood consumption points
3. Growing stock map for 2015, 25 m/pixel
4. Database on priority investment projects
5. Existing forest roads network, 2015

Annual allowable cut, 2015



Need for investments into new roads:

- Leningrad reg.
- Arkhangelsk reg.

Expected changes in Russia in 2015

- **Increasing amount of potential wood supply and wood cost reduction**
 - New legislation (to be accepted in March – April 2015)
 - Law on access to the wood for SMEs (without forest management obligations), 50 rub/m³
 - Law on automatic prolongation of leasing agreement
 - Law on forest auctions for internal timber producers
- **Increasing wood harvesting and utilization**
 - New law on obligatory bioenergy production to compensate the losses
 - Target to get 2,5% of all energy produced from forest biomass
 - Regional legislation for intensive forest management
 - Intensification of forest management scenarios
 1. Forest management = future quality
 2. Intensive harvesting = quantity now

Thank you!