

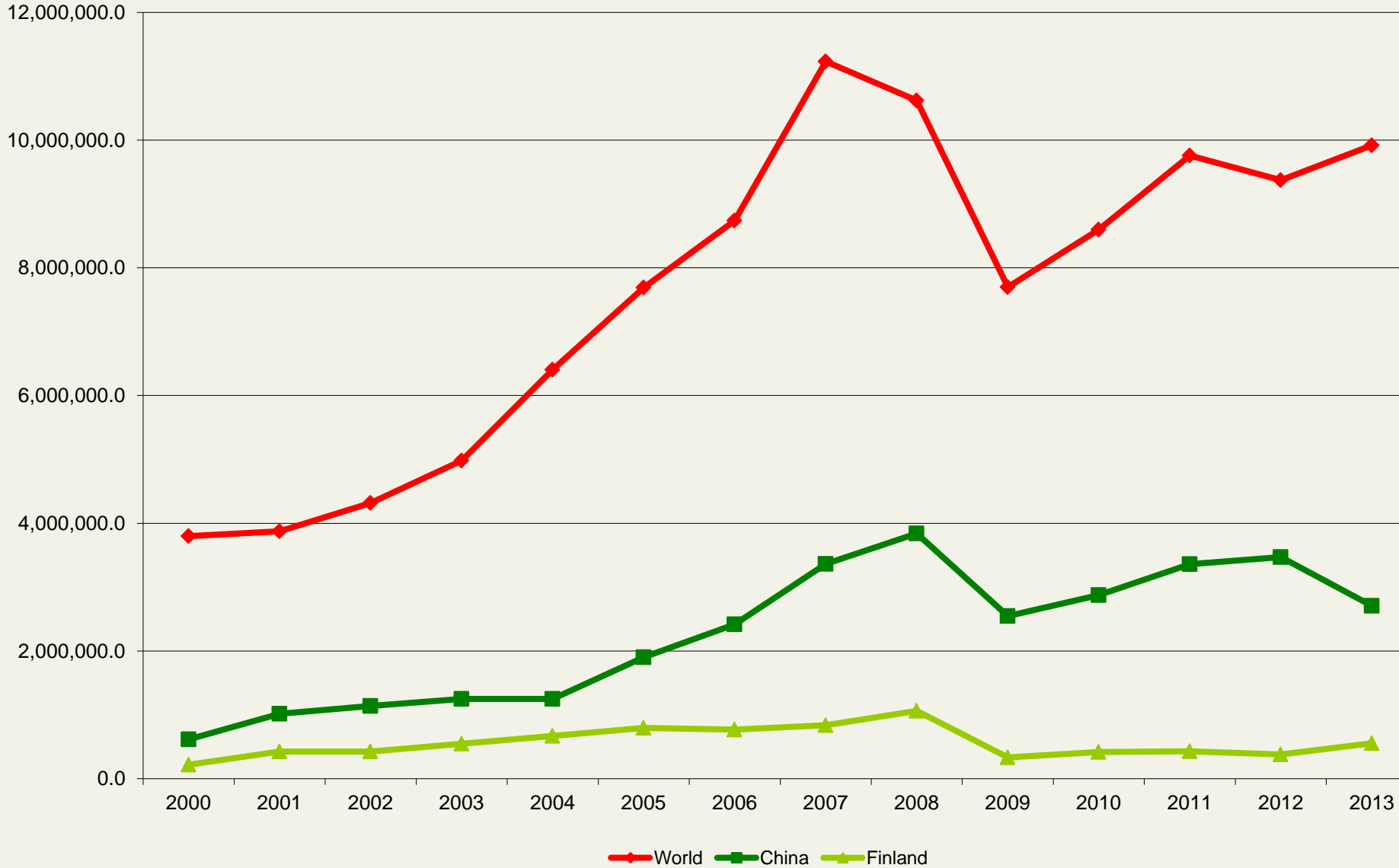
An aerial photograph of a vast, dense forest. The trees are dark green and appear to be conifers. A thick, white mist or low cloud hangs above the forest canopy, partially obscuring the upper part of the image. The sky is a pale blue.

Finnish Forest Companies in Russia: View of NGO

Helsinki, March 18, 2015
Alexander Voropaev, WWF-Russia



Export of Russian Forest Products





Share of Finland in the Russian Export of Forest Products

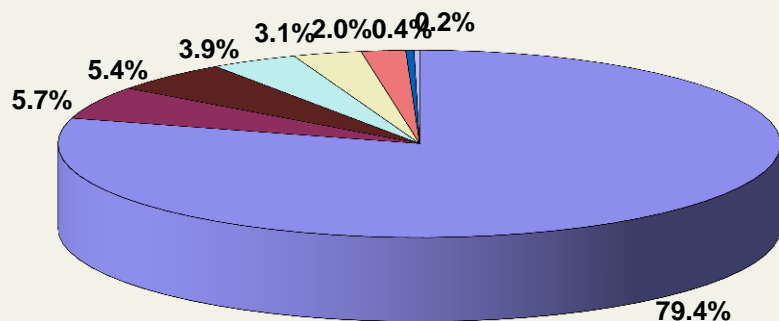


Finland has been the biggest buyer of forest products from Russia in Europe



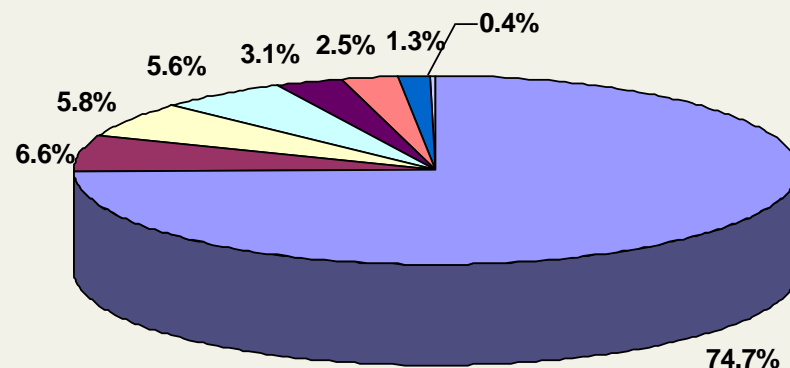
Structure of the Russian Forest Export to Finland

2003



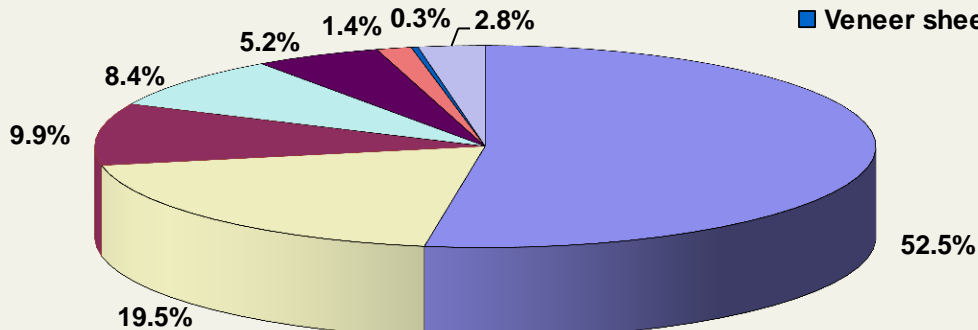
- Roundwood
- Paper & paperboard
- Wood chips, sawdust, fuelwood
- Veneer sheets
- Sawnwood
- Plywood
- Wood pulp
- Other

2008



- Round wood
- Wood chips, sawdust, fuelwood
- Paper & paperboard
- Veneer sheets
- Sawnwood
- Plywood
- Wood pulp
- Other

2013



- Roundwood
- Wood chips, sawdust, fuelwood
- Paper & paperboard
- Veneer sheets
- Sawnwood
- Plywood
- Wood pulp
- Other



Finnish Forest Companies Operating in Russia

2003

677 Finnish companies imported timber from Russia (most of them were one-night companies)

Biggest Finnish buyers:	62%
Stora Enso	- 27.9%
Thomesto	- 23.5%
UPM	- 10.6%
Vapo Timber	- 3.8%
Shoman Wood	- 3.5%

2013

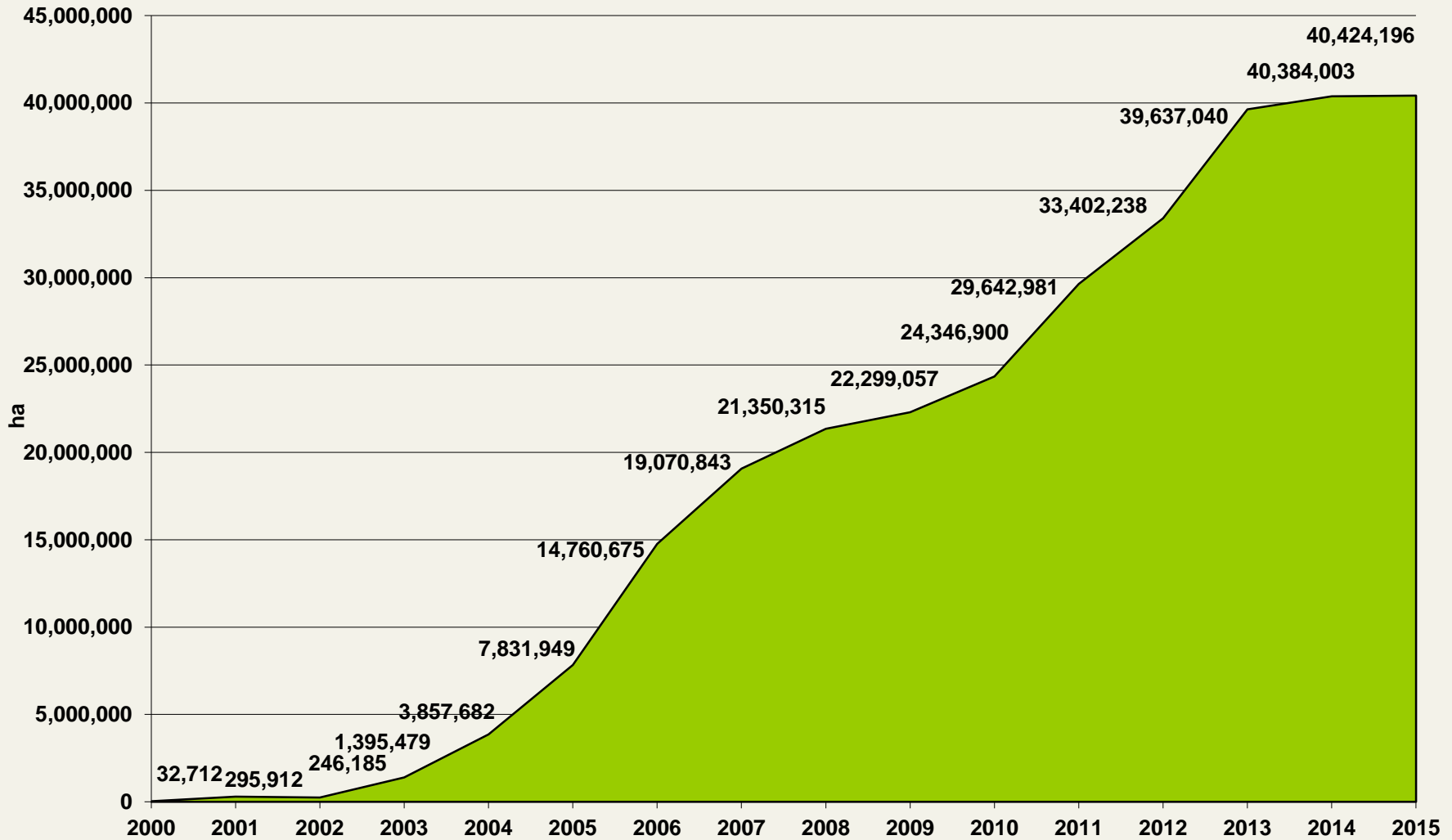
101 Finnish companies imported timber from Russia

Biggest Finnish buyers:	77.4%
Stora Enso	- 32.3%
UPM	- 29.3%
Metsa Group	- 15.8%
FM Timber Team	- 1.8%
Karelia-Upofloor	- 1.8%

In the beginning of 2000s, WWF prepared a report on illegal logging in Northwest Russia and Russian-Finnish trade of timber – Attention was paid to hundreds of small Finnish buyers that existed one year or maximum two years



FSC Certification in Russia



About 20% of Russian commercial forests are FSC-certified
Biggest Finnish companies have FSC FM and CoC certificates



Forest Management Certification Schemes in Russia



Launched in 2010

FSC – 2.1 million ha

FSC CoC – 29



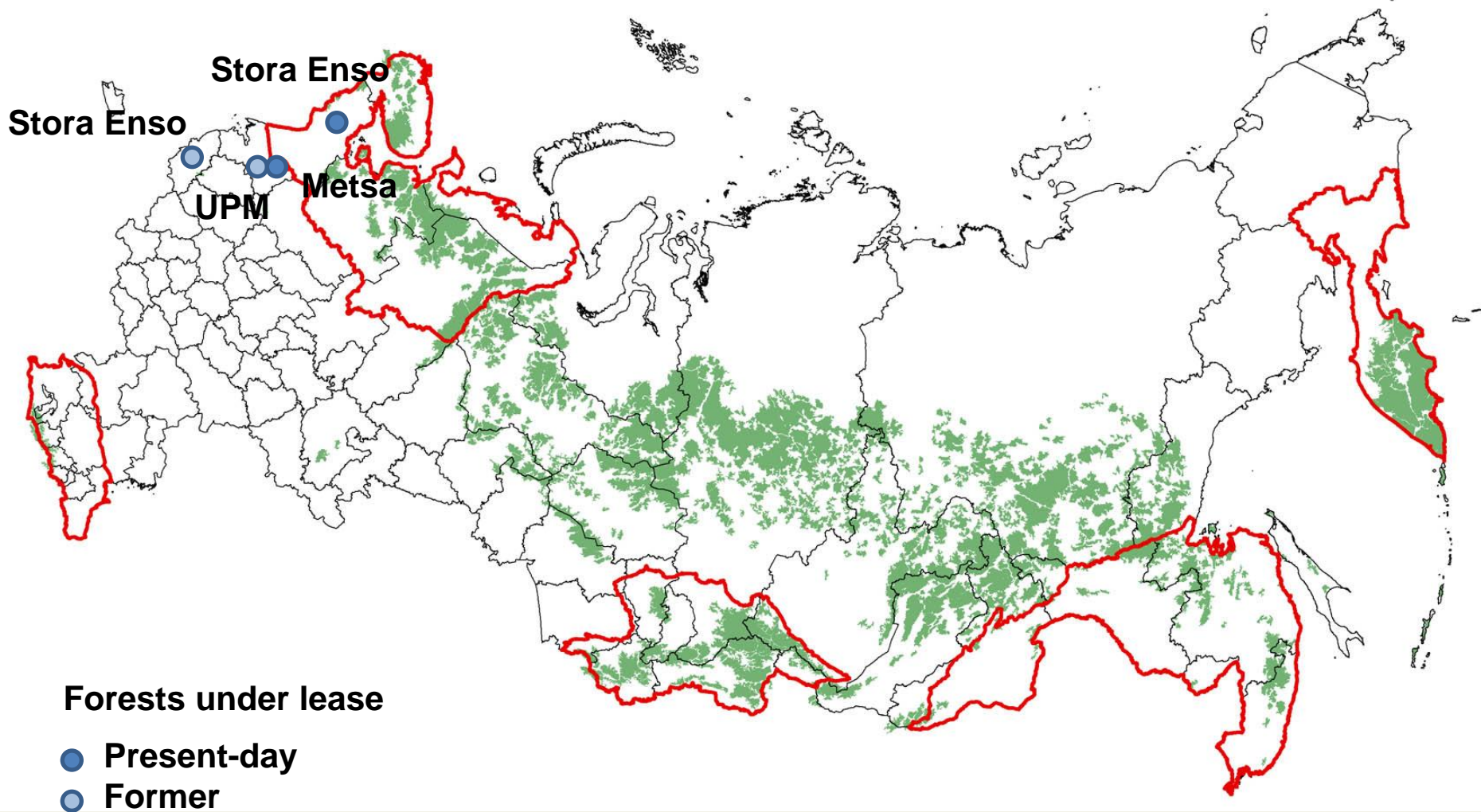
Launched in 2000

FSC – 40.4 million ha

FSC CoC – 314



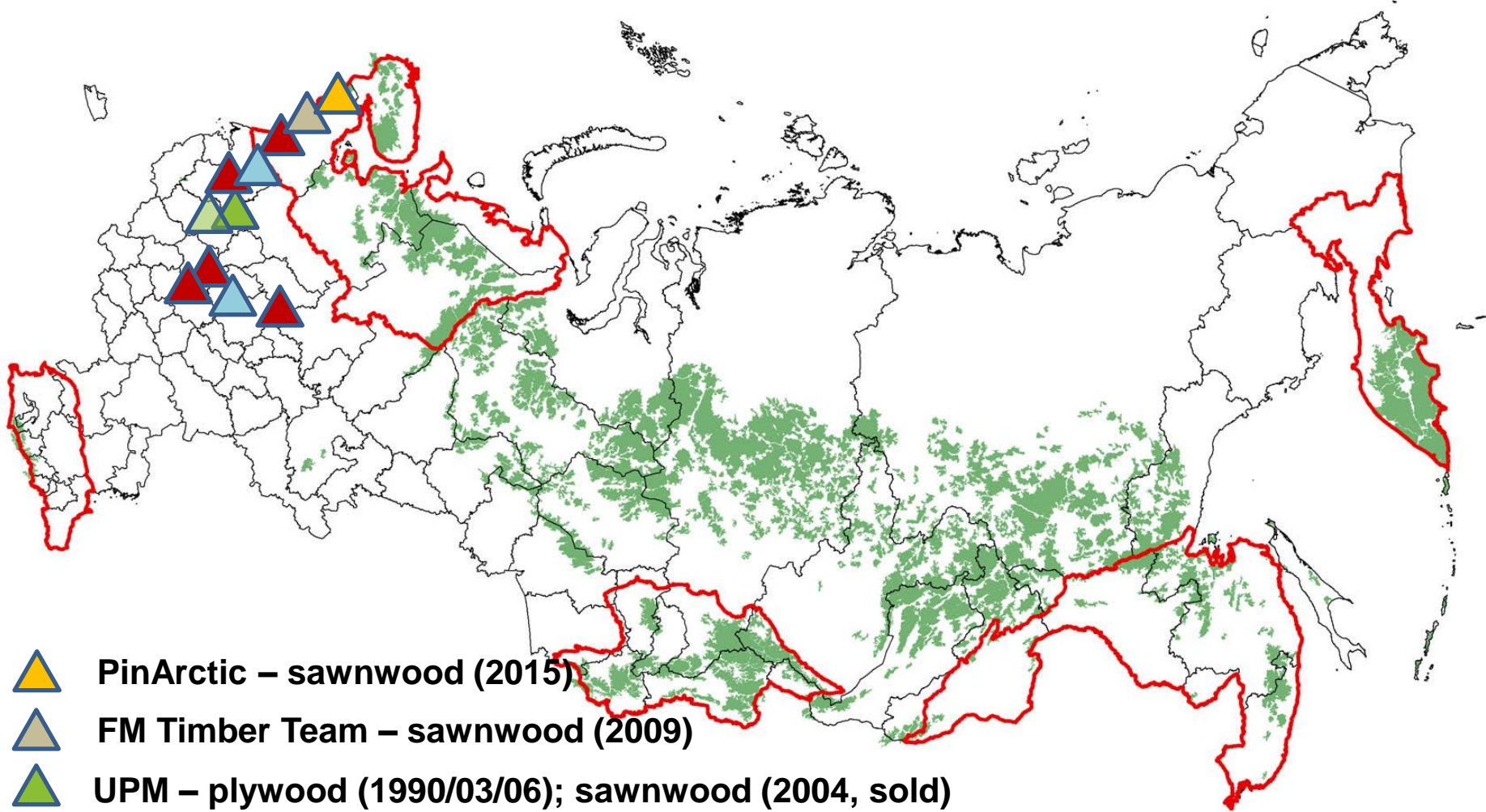
Finnish Investment in Wood Harvesting in Russian








Stora Enso has a program to support FSC certification of its wood suppliers



Finnish Investment in Wood Processing in Russia



-  PinArctic – sawnwood (2015)
-  FM Timber Team – sawnwood (2009)
-  UPM – plywood (1990/03/06); sawnwood (2004, sold)
-  Stora Enso – sawnwood (2003/07, 2004/08); packaging (1998/08, 2004, 2008)
-  Metsa Group – sawnwood (2006); tissue (2008/13)



New Draft Forest Laws that Can Affect Business in Russia

- **Draft law giving the right to individual businessmen, small and middle-sized companies to buy logging rights for a site by contracts of purchase – *submitted to the Parliament***
- **Draft law giving the right to prolong forest lease contracts without auctions – *submitted to the Parliament***
- **Draft law giving the right to conclude forest lease contracts by tenders instead of auctions – *developed by the Federal Forestry Agency and submitted to the Government***
- **Draft law for reimbursing lease holders the cost of building forest infrastructure, purchase of special equipment, and silvicultural operations – *developed by the Federal Forestry Agency and submitted to the Government***



Promoting Intensive Sustainable Forest Management

Federal Forestry Agency established a working group to develop proposals for transferring to intensive sustainable forest management



WWF is launching Boreal Forest Platform as a learning platform to raise awareness of intensive sustainable forest management and best forest management practices for forest companies, forest management units, and other stakeholders