Forest Sector of the Russian Far East: Potential of the Foreign-Economic Cooperation

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The RFE forest sector:

Area: 6.2 mln km², 36% of Russia
6 geobotanical zones
10 RF constituents.

Forests area: 280.9 mln ha
Wood stock: 20.6 bln cu. m

The 2nd forest region of Russia
Khabarovskiy krai: the 3rd rank in Russian logging,
Primorskiy krai: the 15th rank.
Main importers of the RFE timber

- China
- S. Korea
- Japan

The graph shows the trends in thousand cubic meters of timber imported by China, S. Korea, and Japan from 1954 to 2004.
Structure comparison of the timber export and forest resources

<table>
<thead>
<tr>
<th></th>
<th>Larch</th>
<th>Pine</th>
<th>Spruce</th>
<th>Cedar</th>
<th>Hardwood</th>
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</thead>
<tbody>
<tr>
<td>Forest</td>
<td>65.1</td>
<td>6.3</td>
<td>12.3</td>
<td>12.9</td>
<td>3.4</td>
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<tr>
<td>Export</td>
<td>43.8</td>
<td>28.0</td>
<td>21.2</td>
<td>0.4</td>
<td>6.6</td>
</tr>
<tr>
<td>Territory</td>
<td>Round wood</td>
<td>Sawn wood</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>------------</td>
<td>-----------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sakha Republic (Yakutia)</td>
<td>70</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Primorskiy Krai</td>
<td>2462</td>
<td>169</td>
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<td>Khabarovskiy Krai</td>
<td>7012</td>
<td>142</td>
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<td>Amurskaya Oblast</td>
<td>1086</td>
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<td>Sakhalinskaya Oblast</td>
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<td>Kamchatskaya Oblast</td>
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<tr>
<td>Yevreiskaya Auton. Oblast</td>
<td>130</td>
<td>30</td>
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<tr>
<td>RFE</td>
<td>11312</td>
<td>384</td>
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</tbody>
</table>
70% of the regional timber export of the RFE forest wood stock.
Constant production costs increase and loss of competitive ability.
Profitability decline.

- Russian softwood logs to Japan
- NAmerican softwood logs to Japan
- SEAsian softwood logs to Japan
- NZealand softwood logs to Japan
- Russian softwood lumber to Japan
- NAmerican softwood lumber to Japan
- Chili softwood lumber to Japan
- European softwood lumber to Japan
- Russian softwood logs to China
- Russian hardwood logs to China
Estimation of illegal logging

<table>
<thead>
<tr>
<th>Region</th>
<th>Illegal</th>
<th>Official</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Khabarovskiy</td>
<td>36%</td>
<td>30%</td>
<td>66%</td>
</tr>
<tr>
<td>Primorskiy</td>
<td>53%</td>
<td>33%</td>
<td>86%</td>
</tr>
<tr>
<td>Amurskaya</td>
<td>30%</td>
<td>25%</td>
<td>55%</td>
</tr>
<tr>
<td>Sakhalinskaya</td>
<td>33%</td>
<td>35%</td>
<td>68%</td>
</tr>
<tr>
<td>Yakutiya</td>
<td>25%</td>
<td>25%</td>
<td>50%</td>
</tr>
<tr>
<td>Yevreiskaya</td>
<td>35%</td>
<td>25%</td>
<td>60%</td>
</tr>
<tr>
<td>Kamchatskaya</td>
<td>25%</td>
<td>25%</td>
<td>50%</td>
</tr>
<tr>
<td>Magadanskaya</td>
<td>25%</td>
<td>25%</td>
<td>50%</td>
</tr>
<tr>
<td>RFE</td>
<td>38%</td>
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</tr>
</tbody>
</table>

Total illegal logging: 2.4 million cubic meters
Forecast

**China**
- Harvest of 2010 = 100 mln cum
- Harvest of 2000 = 110 mln cum
- Consumption of 2002 = 190 mln cum
- Consumption of 2010 = 240 mln cum

**Japan**
- Consumption of 2002 = 91 mln cum
- Consumption of 2010 = 100 mln cum

**Rep. of Korea**
- Consumption of 2002 = 25 mln cum
- Consumption of 2010 = 26 mln cum

**DPRK**
- Consumption of 2002 = 25 mln cum

**Mongolia**
- Consumption of 2002 = 17 mln cum
- Consumption of 2010 = 23 mln cum

**RFE**
- Harvest of 2010 = 10 mln cum
- Harvest of 2000 = 11 mln cum

**Forecast**
- $302.8 mln
- $359.0 mln
- $99.5 mln

**Japan**
- Consumption of 2002 = 91 mln cum
- Consumption of 2010 = 100 mln cum

**Rep. of Korea**
- Consumption of 2002 = 25 mln cum
- Consumption of 2010 = 26 mln cum

**DPRK**
- Consumption of 2002 = 25 mln cum

**Mongolia**
- Consumption of 2002 = 17 mln cum
- Consumption of 2010 = 23 mln cum
Investments into the Forest Sector of Khabarovskiy Krai, 2003-2004

Source: Forest Industry Ministry of Khabarovskiy Krai, 2005
Investment Projects under Negotiation in Khabarovskiy Krai

- Veneer plant, 120,000 m³/year, Komsomolsk-na-Amure city
- Cellulose-paper plant, 700,000 t/year, Amursk city
- Plant of chemical-thermomechanical pulp, 300,000 t/year, Khor town
- Wood processing, 100,000 m³/year by «Ros-DV» and «Rimbunan Hidjau», Sukpai town
- Timber mill for high-grade lumber, 75,000 m³/year, Berezoviy town
- Timber mill, 150,000 m³/year, Vanino town
- OSB production, 100,000 m³/year, Amursk city
- Wood processing and chip production, 150,000 m³/year, Oktyabrskiy town
- Wood processing and chip production, 150,000 m³/year, De-Kastri town

Источник: Министерство лесной промышленности Хабаровского края, 2005
Thank you for your attention!