



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

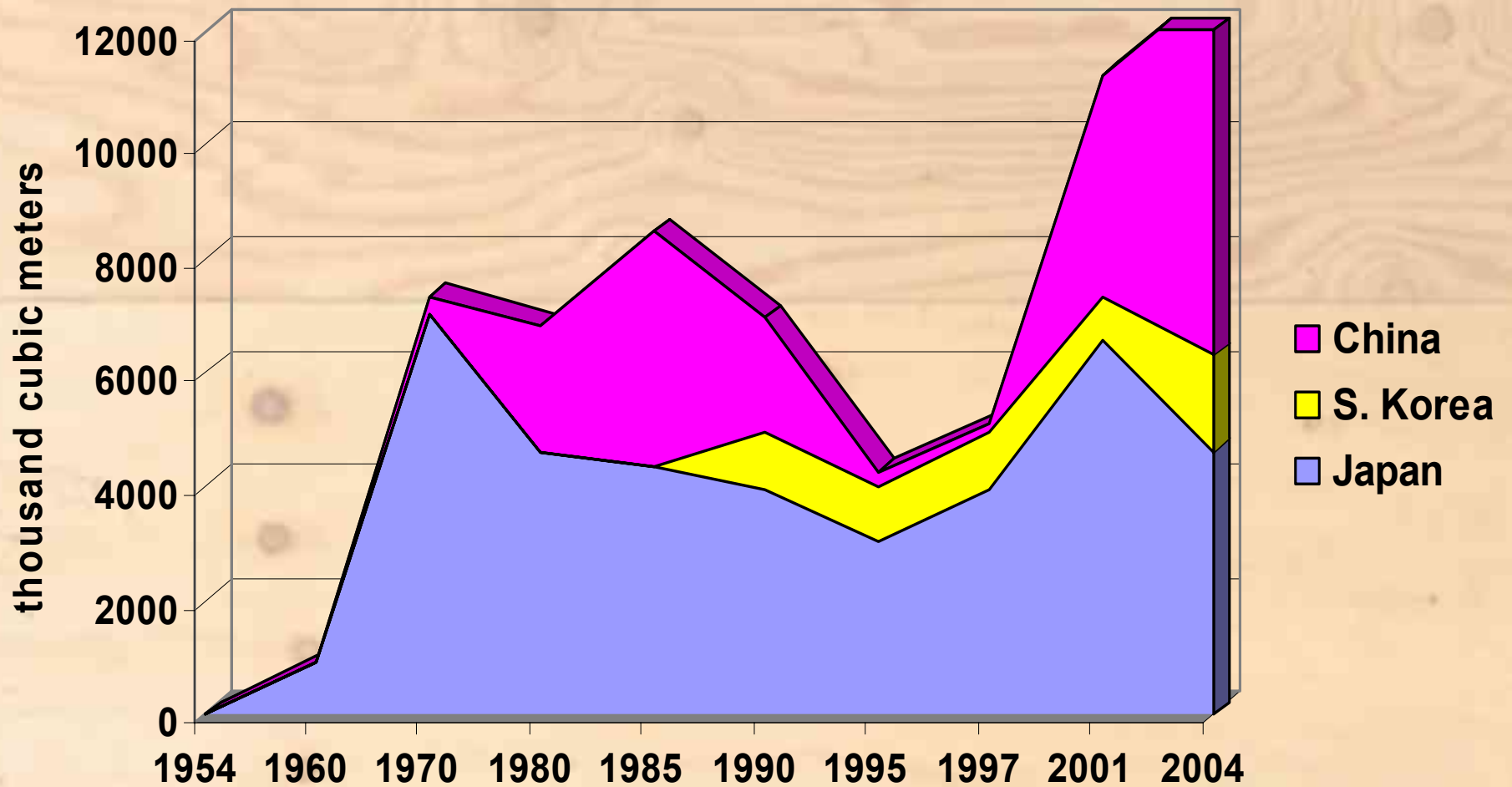
The 2nd forest region
of Russia

Khabarovskiy krai:
the 3rd rank in
Russian logging,

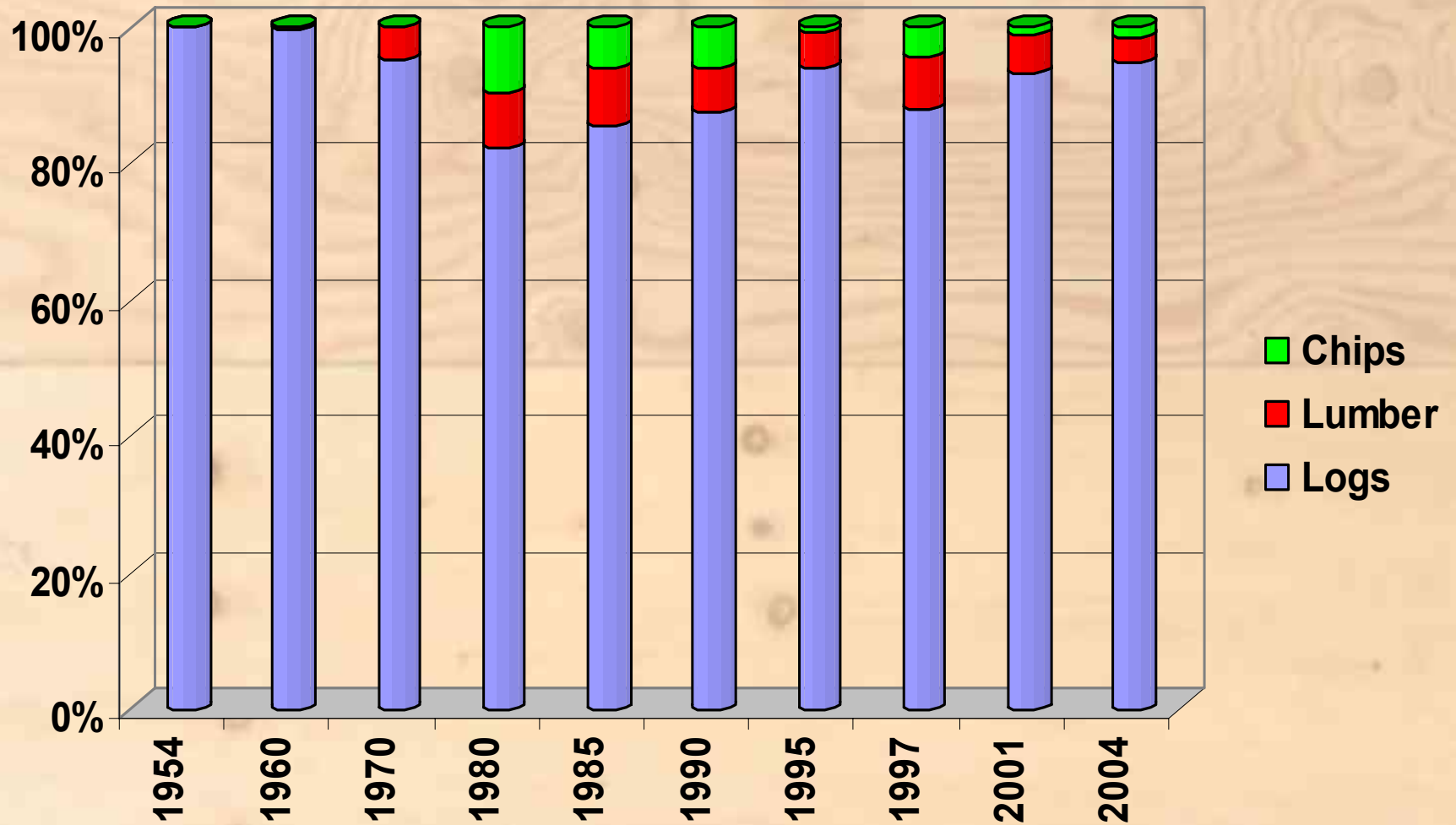
Primorskiy krai: the
15th rank.



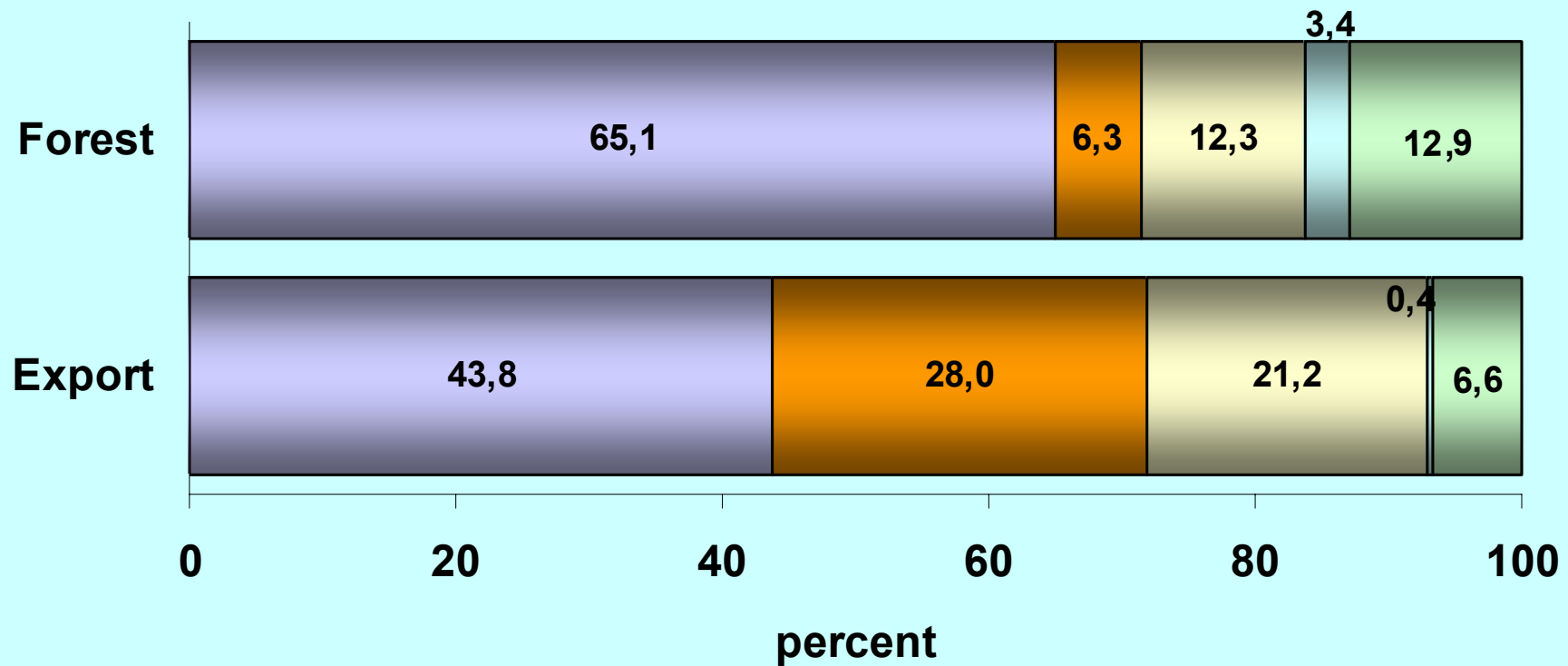
Main importers of the RFE timber



Export structure by products



Structure comparison of the timber export and forest resources

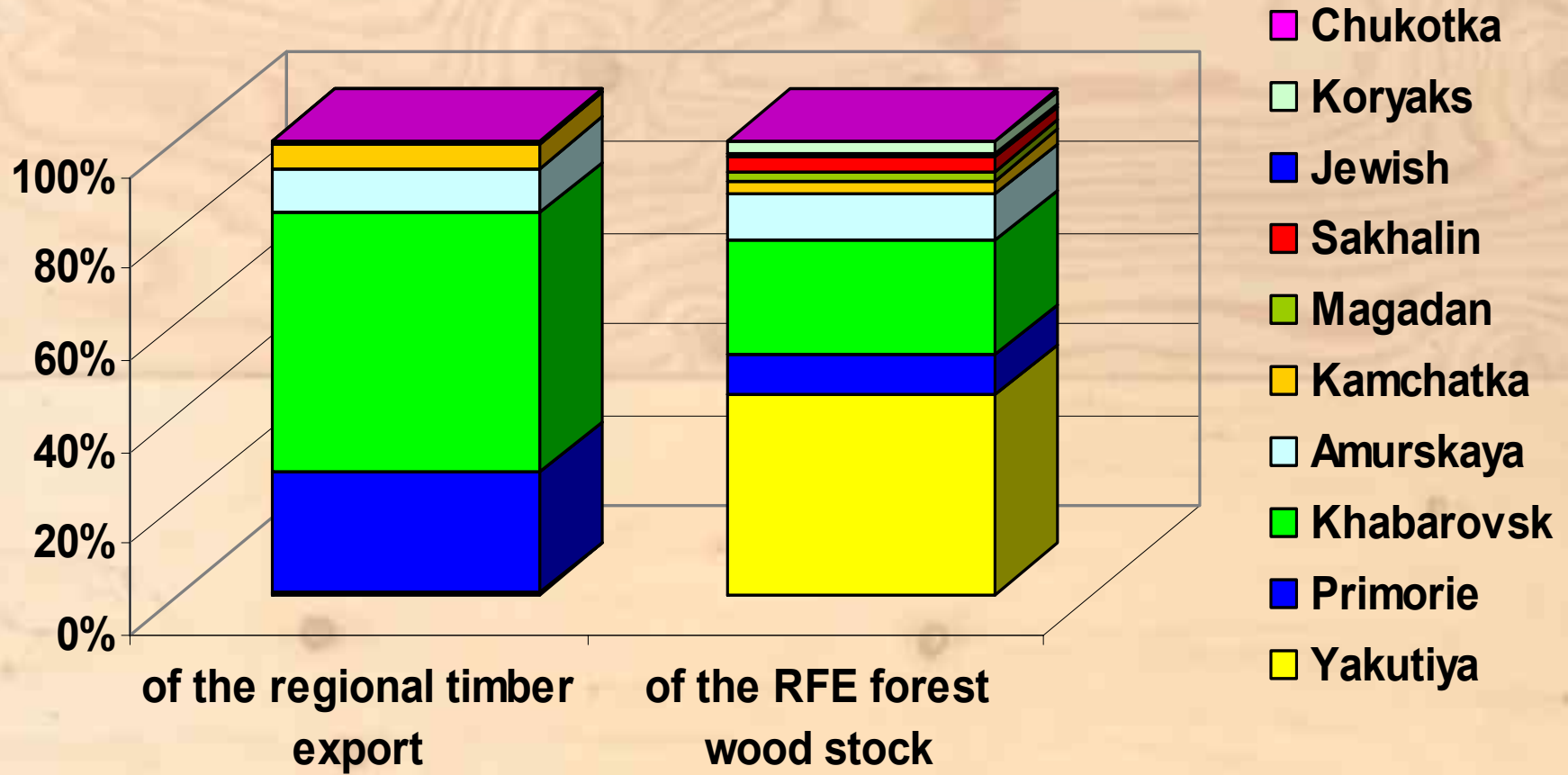


■ Larch ■ Pine ■ Spruce ■ Cedar ■ Hardwood

Timber Export of the RFE, 2003, thou. m³

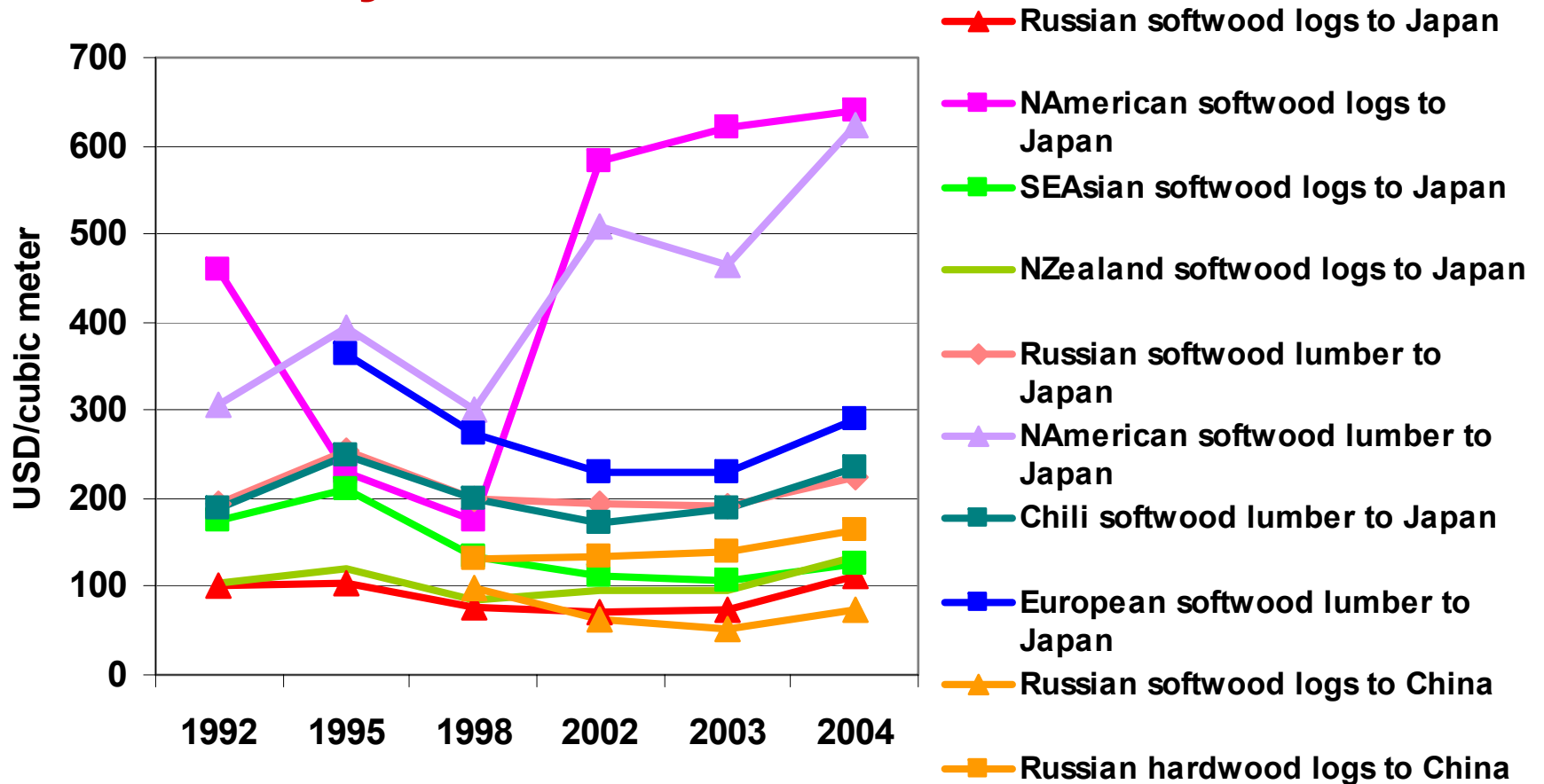
| Territory | Round wood | Sawn wood |
|----------------------------------|-------------------|------------------|
| Sakha Republic (Yakutiya) | 70 | - |
| Primorskiy Krai | 2462 | 169 |
| Khabarovskiy Krai | 7012 | 142 |
| Amurskaya Oblast | 1086 | 5 |
| Sakhalinskaya Oblast | 390 | 18 |
| Kamchatskaya Oblast | 162 | - |
| Yevreiskaya Auton. Oblast | 130 | 30 |
| RFE | 11312 | 384 |

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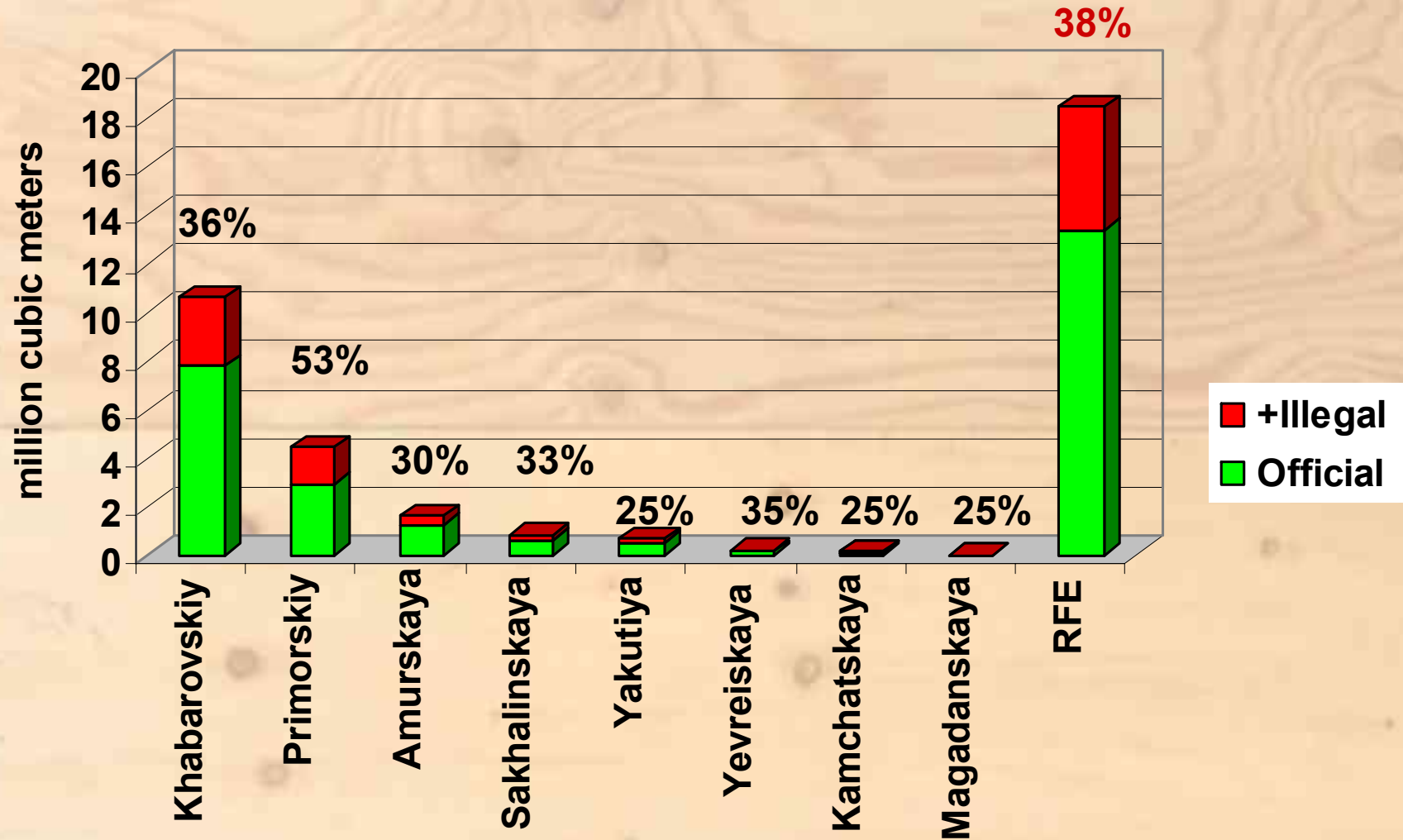


Constant production costs increase and loss of competitive ability.

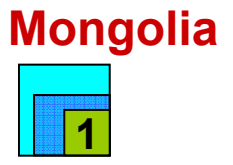
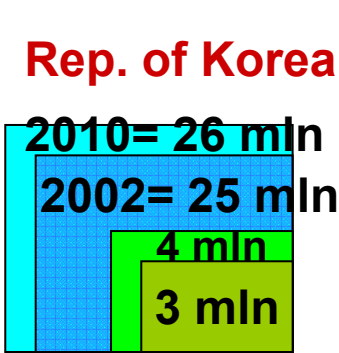
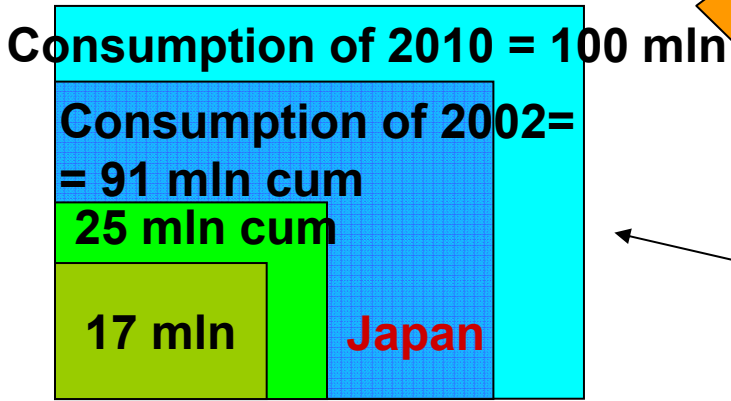
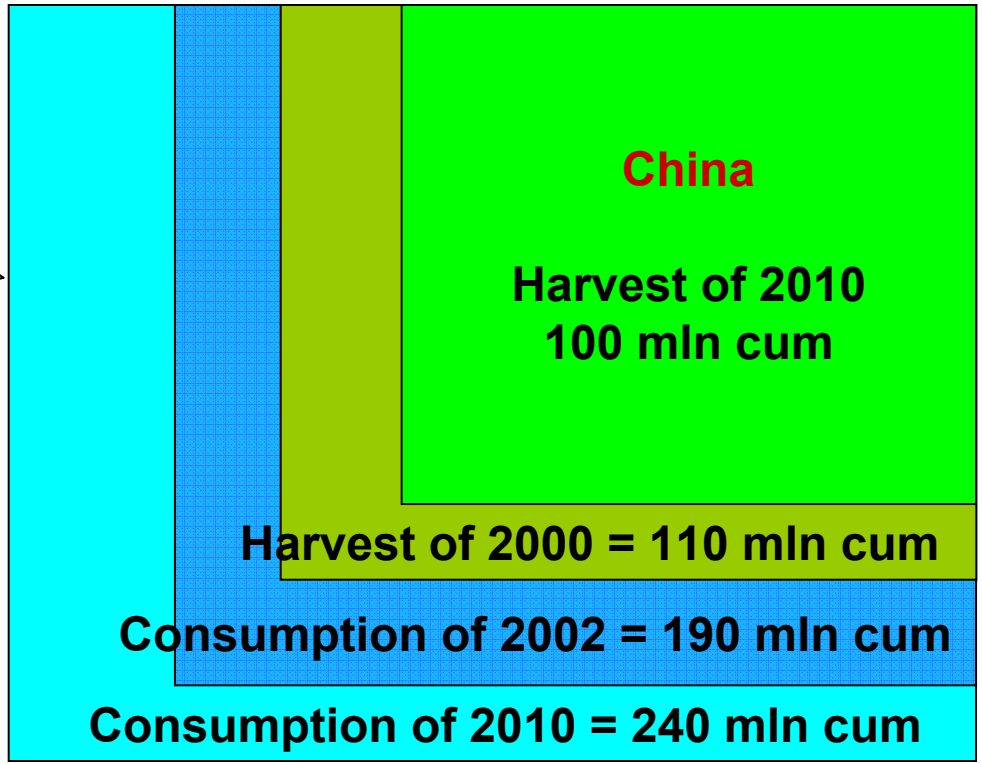
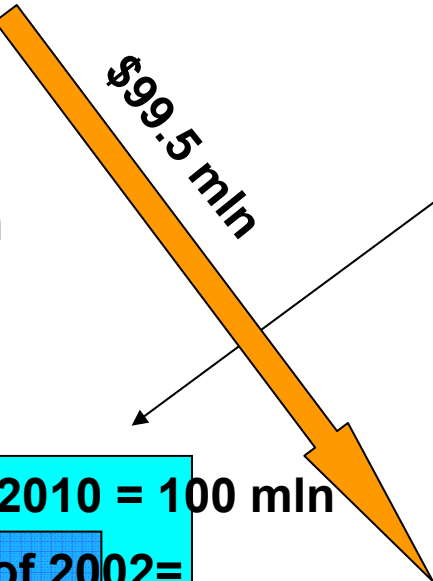
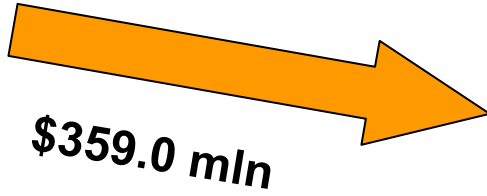
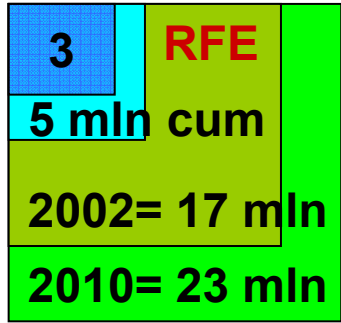
Profitability decline.



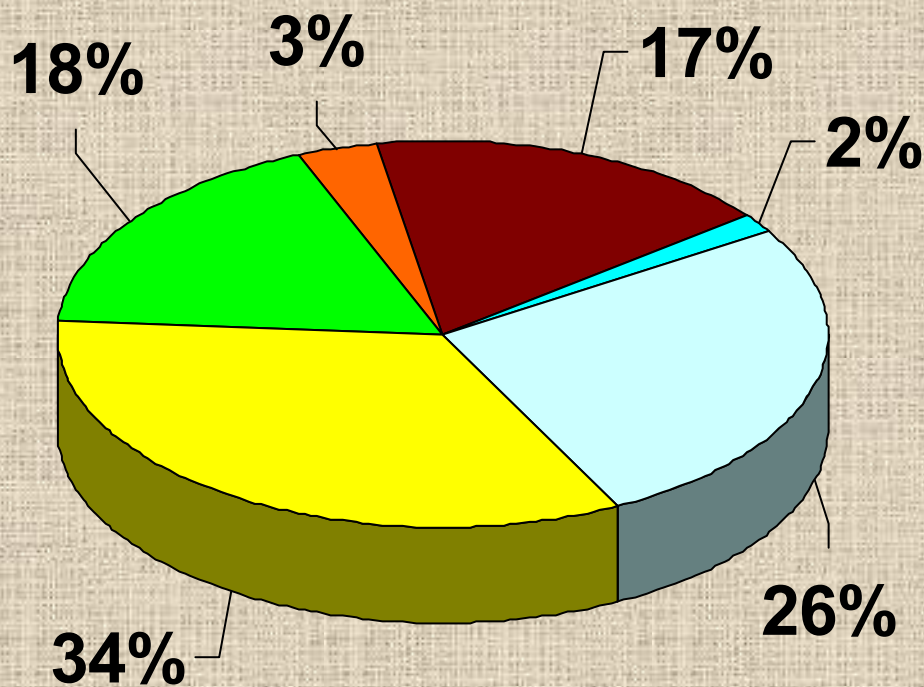
Estimation of illegal logging



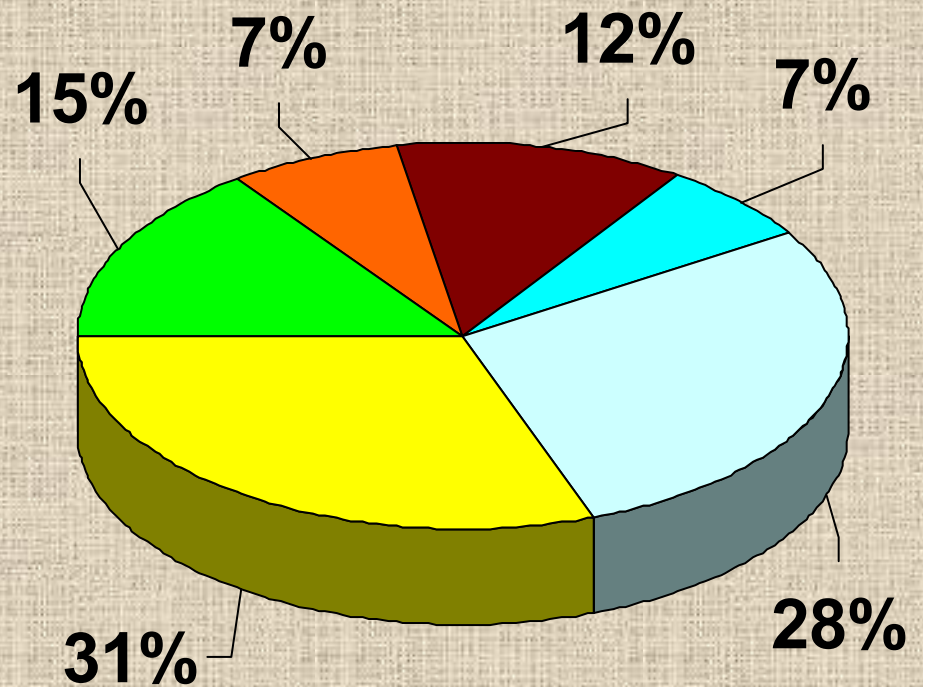
Forecast



Investments into the Forest Sector of Khabarovskiy Krai, 2003-2004



2003



2004

own profit
 amortization
 bank loans

foreign investments
 leasing
 others

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**



Thank you for your attention!