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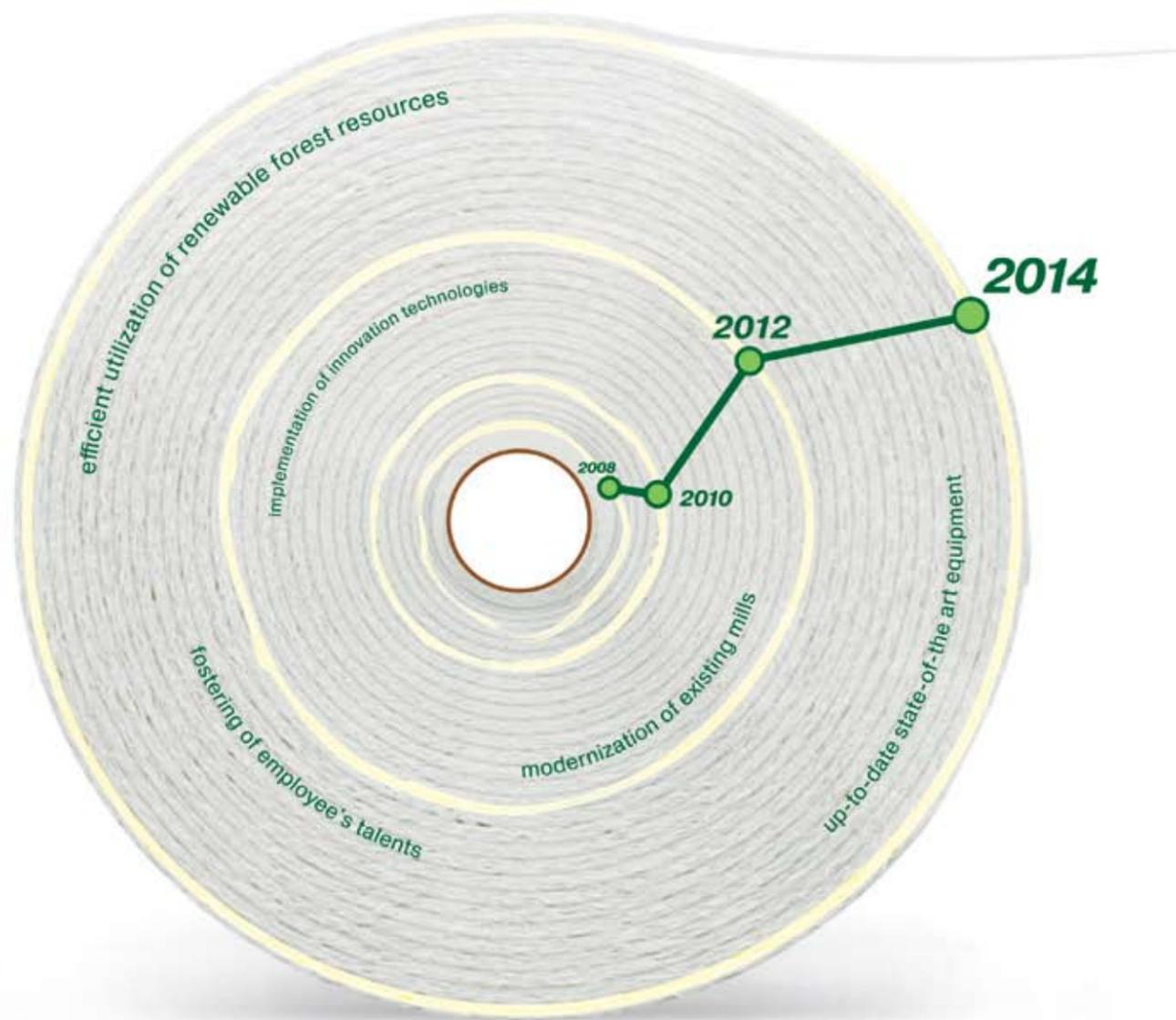
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DEAR READERS!



We are delighted to welcome you to this third edition of our annual publication, Russian Forestry Review. We have been providing analytical materials on the Russian forestry industry IN ENGLISH for international experts in the field since 2006. Each new issue of the journal is devoted to the subsectors of the forestry industry which have witnessed significant events and changes in the course of the current year, and each subsequent issue is a continuation of the one before.

You can access the contents of RFR #1 at any time – the electronic version is freely available on the journal's official website, www.RussianForestryReview.com, since beginning of 2009. You can also find a wealth of valuable information in RFR #2, now with significant savings on the subscription price since the publication of RFR #3. The core of the analytical material in the new issue is an overview of the forestry industry for 2007 and early 2008, which has been put together specially for RFR by PricewaterhouseCoopers. The material addresses key points of development in the Russian forestry sector over recent years: forestry reform, the problem of resource supply for timber enterprises, limitations on export of roundwood, and the development of high-level processing in Russia.

Substantial changes have occurred in Russia's forestry industry as a result of expectations for the next and latest raise in excise duties on export of roundwood, planned for January 1, 2009. It was recently announced that the introduction of these new customs duties has been delayed until 2010. There are several articles in this issue devoted to the impact of the reform on the economic policies of the state and of forestry companies, as well as on the investment climate in Russia's forestry industry. The article by expert Igor Ryvkin is of particular interest in this context. He offers forecasts of financial activity among major foreign investors and their distributors in the Russian forestry sector.

Alexander Grevtsov's article will provide you with detailed insight into how export-import regulation in the forestry sphere has changed over recent years. This overview looks at new government measures for customs and tariff regulation: the gradual raising of export duties on roundwood, the reduction of customs posts, the removal of import levies on wood-working equipment, and an analysis of the pros and cons of state policy in this area. In addition to the articles highlighted above, the section entitled Russian Timber Industry: A Complex View offers first-hand information about the new professional composition of the Council for the Development of the

Forest Industry, which has a significant impact on the reform of the Russian forestry industry. The special rubric Russian Forestry Market through International Eyes is worthy of particular scrutiny. Here we present opinions offered by foreign specialists about what is happening in the Russian forestry sector, and what the outlook is for the foreseeable future. You can find out about developments in the forestry industry in the Northwest region of Russia, the prospects for exploitation and current state of coniferous forests in Russia, and key factors in the production of OSB in the Russian market. Over the last three years, forest management has been the most reformed area of the Russian forestry industry. The reform process was started as far back as late 2006 with the introduction of the new Forestry Code. In this issue you can read about the physical inventory of the country's forest resources, as well as how the problem of the lack of forest access roads is being tackled. In the Woodworking Industry section we continue our overview of the plywood market in Russia, providing the reader with additional data on the main plywood enterprises in Russia. This section also presents a review of the market for wood protection, which includes a comparative analysis of the development processes of western and Russian techniques, in addition to a new means of heat-treating wood with modified tall oil (MTO), which was developed in St. Petersburg. We also continue to provide information on the state of board production, providing the reader with a historical outline of the development of board production facilities, including certain specific technical features of the production of wooden boards in Russia.

There was a detailed history of the development of the Russian furniture industry from the early 20th century to the current time in the last issue of our journal (RFR #2), where results for the furniture sector for 2006 were also presented. In RFR #3 we offer an article which will be of interest to specialists in the field, examining the market for edge bander equipment in Russia. The Bioenergy section presents a review of the market for boiler equipment run on biofuels, complete with a detailed list of companies producing wood pellets (granules) and boiler equipment in Russia. Our readers always find the Overview of the Russian Regions very useful. This section includes general background about the state of the forestry sector and the investment climate in a region. Russia is a country that covers an enormous territory, and where the administrative divisions are not only at the level of individual regions, but are also into federal districts (with the divisions joined along geographical lines – the Central, Northwest, Volga, Southern, Urals, Siberian and Far-Eastern federal

districts). In RFR #1 there were reviews of the forest regions of the Northwest federal district; in RFR #2 came the Urals and Southern federal districts. Russian Forestry Review #3 (2008) will examine a total of 10 regions in the Siberian federal district (Republic of Buryatia; Republic of Khakassia; Krasnoyarsky krai; the Omsk, Irkutsk, Novosibirsk and Tomsk regions) and the Far-Eastern federal district (Republic of Sakha (Yakutia), the Khabarovsk region and Primorye Territory). Each review is equipped with lists of major companies, government departments and research institutes.

This year we have tried to make the regional reviews as detailed and full as possible. As a bonus, we are delighted to be able to offer you Contact Data for Russian Timber Companies – a new section with a description of the major areas of activity of large timber companies in Russia. On the whole, the outlook for the basic sectors in the forestry industry could be classified as positive. At the same time, the global financial crisis has not bypassed the Russian economy and its destructive impact has become ever more perceptible since September 2008. An almost fourfold fall in the main Russian share indexes by the start of November is by no means the only indication. The cost of bank credit has grown substantially. Furthermore, against a backdrop of falling world prices on many trading positions, primarily on raw materials and energy, domestic economic instability and, to be perfectly honest, a lack of trust in the country's government, Russian industrialists are taking preventative measures by seriously cutting back costs, reducing the workforce, and freezing investments.

The companies that are experiencing the most difficulty today are those that are geared towards exporting goods that have witnessed significant falls in demand on international markets. In addition to this, problems are being experienced by companies that have taken out short-term loans with the expectation that they would subsequently refinance them. Some of them anticipate default and bankruptcy. We will probably find out which companies these are over the next six months. However, there are positive aspects to the crisis. The most successful and efficient companies will stay afloat, and in this respect, the national forestry sector can expect to be invigorated.

According to the assertions of Russian government officials, the Russian economy will suffer least of all from the effects of the global economic crisis. We hope that this will prove to be the case, and that in the next issue of RFR, which will be published in one year's time, we will be writing about how the sector has successfully overcome the temporary financial problems, and is developing once again.

With best wishes, the Editorial Team

Special thanks from the Editorial Team for help in preparation of the journal go to:

Russian Executive Authorities:

Ministry of Industry and Trade of the Russian Federation, Federal Forestry Agency, State Duma Committee on Natural Resources, Natural Management and Ecology, Committee on Industry and Entrepreneurship of the Republic of Khakassia, Committee on Forestry Development and Management of the Tomsk region, Ministry of Industrial Policy, Transport and Communication and Chamber of Industry and Commerce of the Omsk region, Ministry of Construction and Industry of the Construction Materials of the Republic of Sakha (Yakutia), Agency for the Development of Industry, Entrepreneurship and Innovative Technologies, and also to the Forestry Agency of the Republic of Buryatia, Department of Forestry and Natural Resources of the Krasnoyarsky Krai, Forest Management of the Primorye Territory, Ministry of Forestry of the Khabarovsk Region, Department of Natural Resources and Environmental Protection of the Novosibirsk Region;

Non-commercial Sectoral Organizations:

Confederation of Associations and Unions of Forest, Pulp-and-Paper, Woodworking and Furniture Industries, The Union of Woodworkers and Wood Exporters of Russia, Russian Association of Pulp-and-Paper Organizations and Enterprises RAO 'Bumprom', Association of Enterprises of the Furniture and Woodworking Industry, Association of Wooden House-Building, The Russian Association of Producers of Glued Constructions RADEKK, The Union of Woodworkers of the Leningrad Region;

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And personal thanks to:

Andrei Gosudarev, Valery Saikovskiy, Dmitry Chuiko, Alexander Churkin;

And to our authors:

Irina Burzhinskaya, Alexander Voropaev, Alexander Grevtsov, Alexander Kozin, Adolf Leonovich, Galina Malikova, Ekaterina Matyushenkova, Andrian Okhotnikov, Valentin Peshkov, Sergei Pochinkov, Igor Ryvkin, Milana Chalpanova, Marina Evseeva, Lyudmila Yarchuk.



Russian Forestry Review
1 (2006)



Russian Forestry Review
2 (2007)



SEHR GEEHRTE DAMEN UND HERREN!

Wir freuen uns, die 3. Ausgabe des jährlichen Informationsheftes Russian Forestry Review Ihnen vorzustellen. Seit 2006 bieten wir unseren Lesern analytische Beiträge über die Forst- und Holzwirtschaft Russlands AUF ENGLISCH an. In jeder neuen Ausgabe richten wir die Aufmerksamkeit auf die Subbranchen der Forst- und Holzwirtschaft, die im aktuellen Jahr wichtige Ereignisse und Änderungen erlebt haben.

Der Inhalt von der RFR Nr. 1 steht Ihnen jederzeit auf der offiziellen Webseite des Informationsheftes www.RussianForestryReview.com zur Verfügung. Viele nützliche Informationen finden Sie auch in der Ausgabe Nr. 2, deren Abonnementpreis mit der Erscheinung der RFR Nr. 3 wesentlich reduziert wurde.

Als grundlegendes analytisches Material der neuen Ausgabe tritt das Review der Holzindustrie für 2007 – Anfang 2008 auf, das speziell für die RFR von der Gesellschaft PricewaterhouseCoopers vorbereitet wurde. Im Beitrag sind die Schlüsselpunkte der Entwicklung der russischen Forst- und Holzwirtschaft der letzten Jahre hervorgehoben: Die Reform der Forstwirtschaft, das Problem der Ressourcensicherung der Holzbetriebe, die Exportbeschränkung für das Rundholz und die Entwicklung der tiefen Holzferarbeitung in Russland.

Große Änderungen erlebte die Holzindustrie Russlands in der Verbindung mit den Erwartungen der Holzindustriellen der weiteren, letzten Erhöhung der Zollgebühren auf den Rundholzausfuhr, die auf den 1. Januar 2009 geplant wurde. Neulich ist es bekannt, dass die Einführung der neuen Zollgebühren bis 2010 verlegen wurde. Im Informationsheft gibt es mehrere Artikel, die den Auswirkungen von dieser Reform auf die Wirtschaftspolitik des russischen Staates, die Holzbetriebe und das Investitionsklima in der Holzindustrie Russlands gewidmet sind.

Darüber, wie sich die Export-Import-Regelung in der Forst- und Holzwirtschaft in den letzten Jahren geändert hat, kann man im Artikel von Alexander Grewzow lesen. Dieser Beitrag ist den neuen staatlichen Maßnahmen im Bereich Zolltarifregelung gewidmet: Der gestuften Erhöhung der Ausfuhrabgaben für das Rundholz, der Reduzierung der Zahl der Zollstellen, der Aufhebung der Zölle auf die importierten Anlagen und Ausrüstung für die Holzbearbeitung.

In der Rubrik Die Komplexe Übersicht der russischen Holzindustrie (Russian Timber Industry: A Complex View) bieten wir unseren Lesern die Information über die neue Zusammensetzung des Rates des Forstkomplexes an.

Besonders bemerkenswert ist die spezielle Aufmachung der Hauptrubrik, Russischer Holzmarkt vom internationalen Standpunkt aus (The Russian Forestry Market through International Eyes). Hier gibt es Profimeinungen aus aller Welt darüber, welche Prozesse in russischer Holzwirtschaft

laufen. Diese Aufmachung berichtet über die Entwicklung des Forstkomplexes im Nordwesten Russlands, die Nutzungsperspektiven und den aktuellen stand der Nadelwälder Russlands sowie die Schlüsselfaktoren der Produktion von den OSB-Platten auf dem russischen Markt.

Im Laufe von mehr als 3 Jahren wird die Forstwirtschaft Russlands aktiv reformiert. Der Reformierungsprozess began am Ende 2006, als der neue Forstkodex erlassen wurde. Man kann in dieser Ausgabe von der RFR darüber lesen, wie die Inventur der Holzvorräte des Landes verläuft, und wie man das Problem des Mangels an Waldwege löst.

Die Rubrik Holzbearbeitungsindustrie (Woodworking Industry) enthält zusätzliche Information über die wichtigsten Furnierbetriebe des Landes. Hier wird die Analyse des Marktes der Holzschutzmittel präsentiert. Außer der Vergleichsanalyse der entsprechenden Technologien in der ganzen Welt handelt es hier auch um das neue Verfahren der Wärmebehandlung von Holz in der Mitte des modifizierten Tallöl, das in Sankt-Petersburg erfunden wurde. Auch erzählen wir über die Holzplattenproduktion in Russland.

In der Rubrik Möbelproduktion (Furniture Industry) bieten wir den Spezialisten den Artikel über den Markt der Anlagen und Ausrüstung für die Kantenbearbeitung in Russland an.

Die Rubrik Bioenergie (Bioenergy) enthält die Übersicht des Marktes der Anlagen und Ausrüstung und die Listen der russischen Gesellschaften, die die Holzpellets oder die Anlagen und Ausrüstung für die Kesselhäuser produzieren.

Wichtig und richtig finden unsere Leser die Übersichten der russischen Regionen (Russian Regions). Die Rubrik enthält allgemeine Information über den aktuellen Zustand der Forst- und Holzwirtschaft sowie das Investitionsklima entsprechender Regionen. In der Russian Forestry Review Nr.3-2008 kommen die 10 Regionen des Förderkreises Sibirien (die Republik Burjatien, das Irkutsk Gebiet, die Republik Chakassien, die Region Krasnojarsk, das Omsk Gebiet, das Nowosibirsk Gebiet, das Tomsk Gebiet) und des Förderkreises Fernosten (die Republik Sacha (Jakutien), die Region Chabarowsk, die Region Primorje) an die Reihe. Jede Übersicht ist mit den Listen der großen Betriebe, öffentlichen Behörden und Forschungsinstitute versehen.

In großem und ganzem lassen sich die Perspektiven der wichtigsten Branchen der Forst- und Holzwirtschaft nach den auf den Seiten der RFR enthaltenen Untersuchungen als positiv kennzeichnen, obwohl Russland die globale Wirtschaftskrise nicht vermied.

Nach der Meinung einiger russischen Staatsbeamten soll Russland am wenigsten durch die globale Wirtschaftskrise verletzt werden.

Hochachtungsvoll, die Redaktion



EGREGI SIGNORI!

Siamo lieti di salutarVi e presentarVi la terza edizione della raccolta annuale Russian Forestry Review. Dal 2006 noi offriamo all'attenzione di esperti stranieri i materiali analitici sul Complesso Industriale del Legno in Russia IN LINGUA INGLESE. In ogni seguente edizione noi facciamo attenzione ai sottosectori del Complesso Industriale del Legno nei quali durante l'anno passato si sono svolti degli eventi e cambiamenti notevoli. Tutte le edizioni dell'annuale RFR sono interconnesse.

La versione elettronica di RFR è presentata in libero accesso sul sito ufficiale della raccolta www.RussianForestryReview.com ingennaio 2009. Molta informazione utile la troverete nell'edizione RFR №2, il prezzo per l'abbonamento è cambiato notevolmente con l'uscita di RFR №3.

Il materiale analitico di base nella nuova edizione è la rassegna del Complesso Industriale del Legno dal 2007 – inizio 2008, preparata specialmente per RFR dalla società Pricewaterhouse Coopers. Nel materiale sono sottolineati i punti principali dello sviluppo del complesso del legname russo negli anni scorsi: la riforma dell'economia forestale, il problema sul provvedimento delle risorse per le industrie del legname, la limitazione sull'esportazione di legno tondo e lo sviluppo della lavorazione avanzata nel paese.

Nel Complesso Industriale del Legno della Federazione Russa sono successi dei cambiamenti significativi che sono collegati all'aspettativa di un altro ultimo aumento delle tasse per l'esportazione del legname tondo pianificato per 1 gennaio 2009 (l'entrata in vigore è posticipata per anno 2010). Nella raccolta sono presentati alcuni articoli dedicati all'influenza di questa riforma sulla politica dell'economia dello stato e delle industrie forestali, come anche sul clima d'investimento in Russia nel Complesso Industriale del Legno.

Su come è cambiata la regolamentazione dell'export-import nella sfera del Complesso Industriale del Legno durante gli anni passati potrete leggerlo nell'articolo di Alexander Grevtsov. E' dedicato all'analisi dei pregi e dei lati negativi della politica statale nella sfera di regolamentazione tariffaria e doganale.

Inoltre nella rubrica Russian Timber Industry: A Complex View noi offriamo alla Vostra attenzione l'informazione sul nuovo corpo professionale del Consiglio Forestale che influenza molto sulla riformazione del Complesso Industriale del Legno.

La sezione della rubrica principale che merita una attenzione particolare è The Russian Forestry Market through International Eye, dove sono presenti gli opinioni degli esperti stranieri su cosa succede nel nostro settore forestale.

Qui saprete dello sviluppo del nostro complesso forestale in Nord-Ovest di Russia, sulle prospettive di utilizzo e

lo stato attuale dei boschi di conifere russe, sui fattori determinanti di produzione OSB nel mercato russo Nella rubrica Woodworking Industry abbiamo continuato la rassegna del mercato di compensato in Russia. Inoltre vi ci sono descritti i rimedi per la protezione del legname nella quale a parte l'analisi comparativa dello sviluppo di tecnologie si parla del nuovo metodo del trattamento termico in olio modificato che è stato elaborato a San Pietroburgo. Continuiamo ad informare sullo stato di industrie di lastre compreso alcuni particolari tecnici della produzione del legname in lastre in Russia.

Nella rubrica Furniture Industry Vi offriamo l'articolo per gli specialisti sul mercato di macchine bordatrici in Russia.

Nella rubrica Bioenergy è presentata la rassegna del mercato di attrezzature per caldaie a carburante biologico, con le liste delle società che producono legname in pellets (granuli) ed attrezzature per caldaie in Russia. Una notevole attenzione attrae la rubrica Russian Regions.

Li è riportata l'informazione generale sullo stato del settore forestale e sul clima d'investimento delle regioni. Nel RFR №3-2008 saranno riportati 10 regioni della Siberia (Repubblica di Burati, Regione di Irkutsk, Repubblica Khakasia, Regioni di Krasnojarsk e Omsk, Regioni di Novosibirsk e Tomsk) e Regione Dalnevostochny (Repubblica Sakha, Regione di Khabarovsk e Primorsky Krai). Ogni rassegna è completa delle liste di compagnie grandi, dipartimenti ed istituti scientifici.

Come bonus Vi offriamo Contact Data for Russian Timber Companies – la rubrica nuova con la descrizione delle direzioni principali di attivita` dei piu` grossi industrie del legname in Russia.

In generale le prospettive dello sviluppo dei settori principali del Complesso Industriale del Legno le possiamo ritenere positive. Nello stesso tempo la globale crisi finanziaria non ha lasciato alle spalle l'economia russa, e la sua influenza distruttiva si fa sentire sempre piu` forte. Il calo dei indici di valori in Russia non è l'unica manifestazione della crisi. Il costo dei crediti bancari è cresciuto notevolmente e sullo sfondo di abbassamento dei prezzi mondiali per molti posizioni di mercato, l'instabilità economica interna e l'assenza di fiducia verso il governo, gli industriali russi prendono provvedimenti preventivi abbassando le spese, riducendo il personale e congelando gli investimenti.

Come affermano i funzionari, l'economia russa soffrirà meno di tutte dalla globale crisi finanziaria. Speriamo che sia così, e che nell'edizione prossima di RFR che uscirà tra un`anno possiamo scrivere che il settore ha superato con successo i problemi provvisori e che si sta sviluppando di nuovo.

Distinti saluti, la redazione

УВАЖАЕМЫЕ ГОСПОДА!



Мы рады приветствовать вас на страницах 3-го выпуска ежегодного сборника Russian Forestry Review. С 2006 года мы предлагаем вниманию зарубежных экспертов аналитические материалы по российскому лесопромышленному комплексу НА АНГЛИЙСКОМ ЯЗЫКЕ. В каждом выпуске мы уделяем внимание тем подотраслям ЛПК, в которых за текущий год произошли значимые события и перемены, при этом все номера ежегодника взаимосвязаны.

Электронная версия RFR №1 выложена в свободном доступе на официальном сайте www.RussianForestryReview.com в январе 2009 года. Много полезной информации вы найдете в выпуске RFR №2, цена на который с выходом RFR №3 существенно снизилась.

Базовым аналитическим материалом в новом номере стал обзор ЛПК за 2007 – начало 2008 года, подготовленный специально для RFR компанией PricewaterhouseCoopers, где выделены ключевые точки развития российского лесного комплекса за последние годы: реформа лесного хозяйства, проблема ресурсообеспечения лесопромышленных предприятий, ограничение экспорта круглого леса и развитие глубокой переработки в стране. Значительные перемены происходили в ЛПК РФ в связи ожиданием повышения таможенных пошлин на вывоз круглого леса, планировавшегося на 1 января 2009 года (их ввод перенесли на 2010 год). В сборнике представлен ряд статей о влиянии этой реформы на экономическую политику государства и лесопромышленных предприятий, а также на инвестиционный климат в ЛПК РФ. Особый интерес представляет статья эксперта Игоря Рывкина, где представлены прогнозы финансовой активности крупнейших зарубежных инвесторов и их дистрибьюторов в российском лесном секторе. Об изменениях экспортно-импортного регулирования в сфере ЛПК за последние годы вы сможете прочитать в статье Александра Гревцова, посвященной анализу плюсов и минусов государственной политики в сфере таможенно-тарифного регулирования: поэтапному повышению экспортных пошлин на кругляк, сокращению таможенных постов и снятию пошлин на ввоз импортного деревообрабатывающего оборудования.

Кроме того, в рубрике Комплексный обзор Российской лесной промышленности (Russian Timber Industry: A Complex View) вы найдете информацию о новом составе Совета Лесного Комплекса, оказывающего серьезное влияние на реформирование ЛПК РФ.

Отдельного внимания заслуживает специальный подраздел основной рубрики – Взгляд на Российский ЛПК из-за рубежа (The Russian Forestry Market through International Eyes), где представлены мнения иностранных специалистов о том, что происходит в нашей лесной отрасли. Здесь вы узнаете о развитии лесного комплекса на Северо-Западе России, перспективах использования и текущем состоянии хвойных лесов России, ключевых факторах производства OSB на российском рынке.

С момента принятия в 2006 году нового Лесного кодекса Лесное хозяйство (Forestry) является самой реформируемой частью российского лесного комплекса. В этом номере читайте о том, как идет инвентаризация лесных ресурсов страны и решается проблема нехватки лесных дорог.

В рубрике Деревообрабатывающая промышленность (Woodworking Industry) мы продолжили обзор рынка фанеры в России, снабдив читателя информацией об основных фанерных предприятиях страны. Также представлен обзор рынка средств защиты древесины, в котором, помимо сравнительного анализа процессов развития западных и отечественных технологий, рассказывается о новом способе термообработки древесины в среде модифицированного талового масла, разработанном в Санкт-Петербурге.

Кроме того, мы продолжаем информировать о состоянии российского плитного производства. В рубрике Мебельная промышленность (Furniture Industry) мы предлагаем вам статью о рынке кромко-облицовочного оборудования в России. А в рубрике Биоэнергетика (Bioenergy) представлен обзор рынка котельного оборудования на биотопливе, снабженный списками компаний, производящих древесные пеллеты (гранулы) и котельное оборудование в России.

Значительным вниманием наших читателей пользуются Обзоры российских регионов (Russian Regions), включающие общую информацию о состоянии лесной отрасли и инвестиционном климате регионов. Административное деление в РФ осуществляется не только на отдельные регионы, но и более укрупнено – на федеральные округа. В №1 были представлены обзоры лесных регионов Северо-Западного ФО, в №2 – Уральского и Южного ФО. В Russian Forestry Review №3(2008) рассмотрены 10 регионов Сибирского (Республика Бурятия, Иркутская область, Республика Хакасия, Красноярский Край, Омская область, Новосибирская область, Томская область)

и Дальневосточного (Республика Саха (Якутия), Хабаровский Край, Приморский Край) федеральных округов. Каждый обзор снабжен списками крупных предприятий, департаментов и НИИ.

В этом году мы постарались сделать региональные обзоры как можно более подробными. А в качестве бонуса предлагаем вам Контактную информацию лесопромышленных предприятий РФ (Contact Data for Russian Timber Companies) – описание основных направлений деятельности крупнейших лесопромышленных предприятий России.

В целом перспективы развития ЛПК, по итогам проведенного в сборнике исследования, можно назвать положительными. В то же время, глобальный финансовый кризис не обошел стороной российскую экономику, и, начиная с сентября 2008 года, его влияние становится все более ощутимым. Почти четырехкратное падение основных российских фондовых индексов к началу ноября – отнюдь не единственное его проявление.

Стоимость банковских кредитов существенно выросла, а на фоне спада мировых цен по многим товарным позициям, внутренней экономической нестабильности и недоверия правительству страны, российские промышленники принимают превентивные меры, сокращая персонал и замораживая инвестиции.

Трудности сегодня испытывают прежде всего предприятия, ориентированные на экспорт продукции, спрос на которую на международных рынках значительно упал. Кроме того, проблемы у тех, кто брал крупные кредиты на короткий срок в расчете последующего их рефинансирования. Часть из них ждут дефолты и банкротства. Что это за предприятия, мы, вероятно, узнаем уже в ближайшие полгода.

Однако есть и положительные стороны кризиса: «на плаву» останутся самые эффективные компании, и в этом смысле отечественную лесную отрасль ждет оздоровление.

По утверждению правительственных чиновников, российская экономика менее всего пострадает от последствий глобального финансового кризиса. Надеемся, что так и будет, и в следующем номере RFR, который выйдет через год, мы будем писать о том, что отрасль успешно преодолела временные проблемы и снова развивается.

С уважением, Редакция

Редакция выражает особую благодарность за помощь в подготовке сборника и поддержке проекта:

Органам исполнительной власти РФ и субъектов РФ:

Министерству промышленности и торговли Российской Федерации,
Министерству сельского хозяйства Российской Федерации,
Федеральному агентству лесного хозяйства,
Комитету по природным ресурсам, природопользованию и экологии Государственной Думы РФ,
Государственному Комитету по промышленности и предпринимательству Республики Хакасия,
Комитету развития лесного комплекса и лесопользования Томской области,
Министерству промышленной политики, транспорта и связи и торгово-промышленной палате Омской области,
Министерству строительства и промышленности строительных материалов Республики Саха (Якутия),
Республиканскому агентству по развитию промышленности, предпринимательства и инновационных технологий, а также лесного хозяйства Республики Бурятия,
Департаменту природных ресурсов и лесного комплекса Красноярского Края,
Управлению лесным хозяйством Приморского Края,
Министерству лесной промышленности Хабаровского Края,
Департаменту природных ресурсов и охраны окружающей среды Новосибирской области;

Некоммерческим отраслевым объединениям:

Конфедерации ассоциаций и союзов лесной, целлюлозно-бумажной, деревообрабатывающей и мебельной промышленности,
Союзу лесопромышленников и лесозаготовителей России,
Российской ассоциации организаций бумажной промышленности РАО «Бумпром»,
Ассоциации предприятий мебельной и деревообрабатывающей промышленности России,
Ассоциации деревянного домостроения,
Российской ассоциации производителей деревянных клееных конструкций РАДЕКК,
Союзу лесопромышленников Ленинградской области;

Официальному спонсору:

AVA Company;

Рекламодателям:

Группе «Илим», фанерному комбинату «Фанком», компании «Джон Дир», компании «HSM Petersburg»;

Нашим партнерам:

Консалтинговым компаниям Indufor и Poyru Oy, НИИ Финляндии Metla, Санкт-Петербургской Государственной Лесотехнической Академии, ЦНИИ Фанеры;

А также персонально:

Андрею Государеву, Валерию Сайковскому, Дмитрию Чуйко, Александру Чуркину;

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Russian Forestry Review
1 (2006)



Russian Forestry Review
2 (2007)

RUSSIA'S ROLE IN THE GLOBAL FORESTRY SECTOR AND ITS PROSPECTS FOR THE FUTURE

GLOBAL ENVIRONMENT

The top 100 companies in the global forestry, pulp-and-paper and packaging industry (FPP) demonstrated varied financial performance in 2007, reflecting considerable differences in the different regions' business and economic situations.

The three leading regions in terms of return on capital employed (ROCE), the main performance index, were Latin America (7.8%), developing Asian countries (7.3%) and the US (5.5%). Canadian producers had the lowest average ROCE (negative 0.1%), which reflects the financial crisis that the Canadian forestry industry is suffering. The total average ROCE for the companies surveyed was relatively stable compared to the previous year's figure (4.8%) and was considerably far from the industry target indices of 10-12%. Fast growing markets, primarily China and India, appeared to be more stable and continued their rapid development.

In 2007, high GDP growth rates were sustained in China (11.4%), India (9.2%), Russia (8.1%) and Latin America (5.6%). The leaders in the FPP industry are the fast growing economies of Asia – notably China – as well as Latin America and Russia.

Alexei Ivanov, Partner in the Forestry, Pulp-and-Paper group at PricewaterhouseCoopers, comments:

The global forestry, pulp-and-paper industry is largely affected by both commercial and environmental factors, creating new opportunities for some regions and setting challenges for others. Entities with the lowest production costs find themselves in an advantageous position in terms of fluctuations in exchange rates and a rise in costs, which allows them to seize new opportunities and enter new markets.

The best performing companies in 2007 include

Setra Group of Sweden, with a ROCE of 25.2%; Kimberly-Clark in Mexico, with a ROCE of 20.3%; and Kimberly-Clark in the US, with a ROCE of 15.2%.

The capital reinvestment ratio (i.e., investments in proportion to depreciation, or an index reflecting to what extent depreciating assets are replaced by capital investments), was 1.2 for the PwC Top 100. In previous years, this index was less than 1.0. This positive trend is largely attributable to the growth of Chinese and Latin American manufacturers, with indices of 3.08 and 2.84, respectively. Canada is at the opposite end of the scale with a reinvestment index of 0.4 in 2007. It is expected that mergers and closures will increase in regions like North America which have smaller, older companies that are unable to compete with high-tech, low-cost manufacturers in Latin America.

Indeed, the industry's growth is propelled by forestry companies operating in emerging economies, notably China, India, Latin America and Russia. In terms of deliveries, it is increasingly evident that South America has the competitive advantage, while China has the largest impact on demand. Additionally, the number of companies from emerging economies in the PwC Top 100 is increasing. In 2007, China's Sino Forest, Shangdong Huatai Paper and Lee & Mann Paper and India's Ballarpur Industries entered the list.

In terms of revenue, in 2007 the US company International Paper was ranked first in the PwC Top 100, with sales of 21.9 billion US Dollars, just under this entity's 22 billion US Dollars in sales in 2006. The Finnish Stora Enso is listed second with sales of 18.32 billion US Dollars, or 12% higher than in 2006 (16.27 billion US Dollars). The US company Kimberly-Clark is ranked third with 18.27 billion US Dollars in sales, or 9% higher than last year's 16.75 billion US Dollars. In 2007, the 20 biggest companies from the PwC Top 100 accounted for 60% of

Alexei Ivanov:

Of the many economic factors affecting the industry, the falling US Dollar and increases in transportation expenses and the cost of raw materials – particularly fiber, fuel and electric power – have become burdens which are impeding financial performance.

total sales.

RUSSIAN FORESTRY, PULP-AND-PAPER SECTOR

Russia has one of the highest growth rates in the world. Demand for paper products is driven by high domestic consumption. An actively developing construction sector (including both new construction and renovations) ensures a high demand for timber.

Russia has the most unused timber resources in the world; it accounts for one fourth of the world's timber but only 6% of its logging. According to the Ministry of Industry and Energy, in 2007 Russia had 82.1 billion m³ of timber resources, of which only 207 million m³ was logged. The Russian GDP in 2007 was 32,988.6 billion RF rubles, or about 1.3 trillion US Dollars at the market exchange rate. The forestry sector made up 1.3% of the total Russian GDP. The volume of shipped goods produced domestically as well as the work performed and services provided in the forestry sector amounted to 724 billion RF

rubles (about 29 billion US Dollars).

Twenty-six percent of forestry industry production is consumed domestically in the form of round timber and fuel; 24% of round timber is exported, and 50% is processed.

In 2007, timber product exports amounted to 12.6 billion US Dollars.

According to the Federal Forestry Agency, Russia's total timber resources are about 82 billion m³ (Previously stated. Also, a different figure is provided than that listed above (82.1 billion m³). Consider removing or changing). The acceptable annual volume of timber to be harvested is 635 million m³. The actual timber utilisation was 187 million m³ of round timber, of which 104 million m³ (56%) was processed, 49.3 million m³ (26%) was exported and 33.5 million m³ (18%) was used locally for public needs.

The structure of Russian timber exports in 2007, according to the Ministry of Industry and Energy:

- 37.2% – round timber;
- 29.9% – lumber;
- 23% – pulp-and-paper products;
- 9.1% – sheet timber;
- 0.8% – other timber.

Despite this, Russia has to import paper, cardboard (35% relative to domestic production) and furniture (46% relative to domestic

Russia's total timber resources and its utilisation

Federal region	Timber resources, billion m ³	Amount of forest land, %		Acceptable harvesting amount,	Utilisation, %	
		Total	of which:			
			softwood			hardwood
Central Federal District	4	35	46	54	40.4	47
Northwestern Federal District	10	52	74	26	117.5	44
Southern Federal District	0.8	7	12	88	3.5	35
Volga Federal District	6	37	46	54	69.9	41
Urals Federal District	8	38	70	30	81.9	20
Siberian Federal District	33	53	82	18	227.4	22
Far Eastern Federal District	21	46	82	18	94.4	20

Source: Federal Forestry Agency of the Russian Federation



production). But the government is planning to increase domestic production.

According to Ministry of Industry and Energy, in 2007 furniture production amounted to 3 billion US Dollars, and pulp-and-paper production amounted to 7.6 million tonnes.

The government sees the pulp-and-paper sector as a high priority and is working on developing domestic industry to increase the output of processed timber by 70% and of pulp-and-paper by 55% over 2006 levels by 2010. The government also wants to make the investment climate more attractive. It estimates that investments in Russian forestry will reach 48 billion US Dollars by 2015 (depending on the world economy).

The government provides important tax exemptions for high-priority investment projects and offers a range of benefits for companies that invest in Russian forestry, like forest plots for lease without auction and a 50% discount on leasing rates and stumpage prices. Total investments in Russian timber grew by 41.6% in 2007 to 2.6 billion US Dollars. Multinational forestry players have announced definite plans to invest and have already begun constructing greenfield production facilities (Stora Enso, UPM/Sveza).

The new Forestry Code, which came into effect in 2007, is more West-friendly, affords more security to investors, and aims to increase the

effectiveness of forest management. The new code includes provisions for long-term leases (up to 49 years), a simpler auction system, reduced limitations on leasing forest plots, relaxed lease conditions for private timber harvesting, improved transparency in contract bidding, and the decentralisation of forest management.

About 50% of total production belongs to large, vertically-integrated holdings. According to an Expert 400 rating published on October 6, the largest companies in FPP by sales for 2008 were:

- Ilim Group;
- Mondi Business Paper, Syktyvkarsky LPK;
- Archangelsky PPM;
- Svetogorsk;
- Kondopoga.

More foreign players are expected to enter the market, leading to opportunities to cooperate with international companies (e.g., UPM's joint venture with Sveza).

However, for the rest of the world, the most important development in the FPP was Russia's plan to introduce tougher export tariffs for non-processed timber at a time when the country was becoming the world's largest exporter of timber. Until July 1 2007, the duty was 6.5% (with a minimal of 4 Euros per m³). For softwood, these duties were increased to 20% and 25% from July 1 2007 and April 1 2008, respectively. And there are plans to increase them to 80% at the beginning of 2009 (with the minimal at 50 Euros per m³). For birchwood, the duty's introduction was delayed until 2011, when it will grow from 0 to 80%.

Russia's neighbors and more remote markets are concerned by the increases in tariffs – both current and planned – as they rely on this timber. The reason for this increase in export duties is Russia's desire to develop its timber processing industry with value added for supplying both domestic and foreign markets. If this programme is fully implemented, logging in Russia will only be economically feasible if timber is processed locally. It is still too early to judge the effectiveness of this tariff policy in terms of meeting these goals. Certain efforts have been made to invest in timber processing; however, although there has been a lot of talk on the matter, no major projects

Alexei Ivanov:

The Russian industry is facing a period of sustainable economic growth. Russia itself possesses the world's largest reserves natural resources, which are currently underdeveloped and underused, and it also neighbours the world's largest international market, China. Given the dramatic increase in Russian export duties, investments in timber processing in Russia appear to be quite reasonable from an economic standpoint.

in pulp production have yet been implemented. Accordingly, logging in Russia – at least in the short term – may decline, which will potentially have a serious destabilising effect on the international timber market.

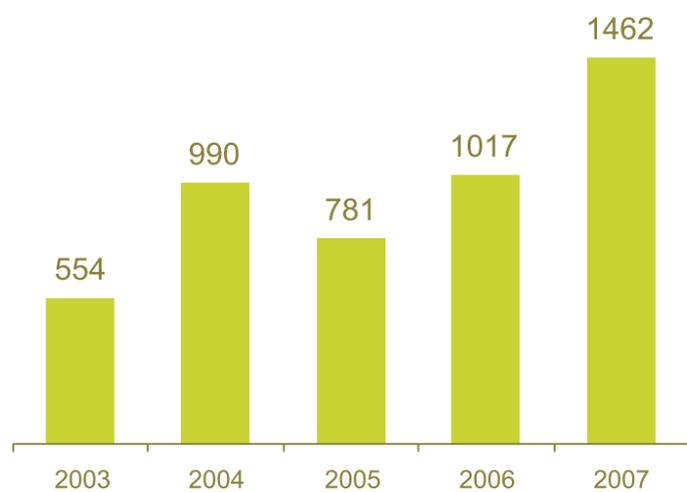
The increase in export duties has redirected round timber to the domestic market. As a result, round timber exports have fallen by 10%, and pulp and newsprint exports have risen by 23% and 28.6%, respectively (Q108). At the moment, the timber-processing sector is the Russian forestry industry's fastest growing (with 17.2% growth in 2007). More and more major foreign players view Russia as a paper market instead of simply a source of round timber.

The Republic of Komi will elevate Russia's pulp and paper industry to a new level due to the international corporation Mondi JSC starting work on 'Step', which has become the sector's largest-scale project. Mondi has invested 500 million Euros in Step. The project is currently scheduled to last two years. Once the project is complete, the mill's annual fiber consumption will have increased by 33% – up to 4 million m³. Pulp production will increase by more than 20% to reach 1 million tonnes. In October 2008, Mondi SLPK established a subsidiary, Ezhvadorstroy, Ltd., which will construct roads to transport fiber for the mill. In 2008, the company intends to build 195 km of roads, the costs of which will amount to 200 million RF Rubles.

In July 2008, the logging entity Henda-Sibir, a joint venture with Chinese investors, announced its plans to build logging and processing facilities in the Tomsk Region for 1.57 billion US Dollars. Procured timber (4.5 million m³ per year) will be processed locally into 80,000 m³ of plywood; 400,000 m³ of high-density fiberboard and oriented strand boards; 500,000 tonnes of cellulose; and 150,000 tonnes of chemical and thermomechanical mass. Currently, Henda Sibir procures about 170,000 m³ per year. The project will reach full capacity in 2016, and sawmills are scheduled to be launched at the end of 2008.



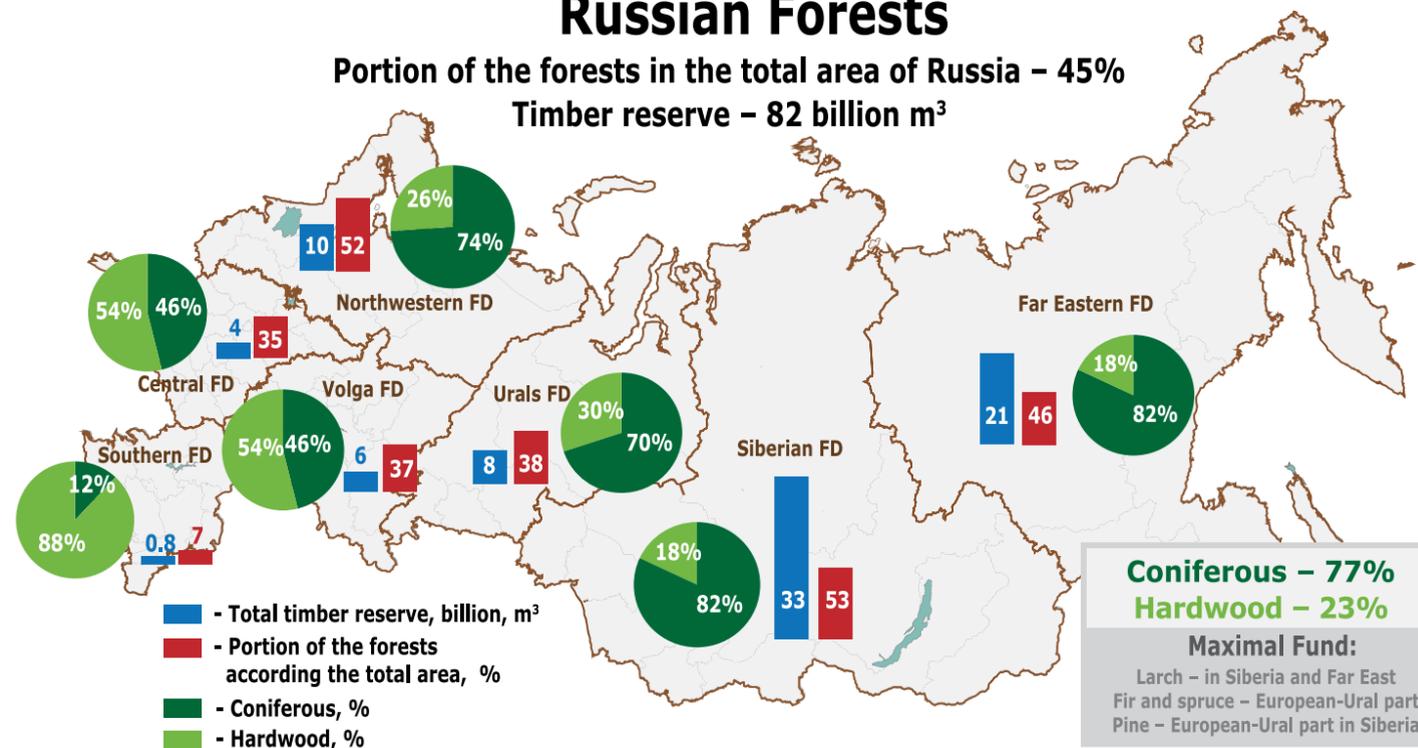
Foreign investments, million US Dollars



Source: Federal State Statistics Service of the Russian Federation

Russian Forests

Portion of the forests in the total area of Russia – 45%
Timber reserve – 82 billion m³



Source: Federal Forestry Agency of the Russian Federation

The previous facilities of Sibles JSC are being used as the site for the new project.

Key regulatory reforms are being introduced to improve the investment climate for foreign investors. These include changes to the Tax Code (specifically, more reasonable tax rates, clearer rules, significant reductions in tax fines and a general improvement in tax administration), and reforms in banking and the legal system.

Russia has the potential to strengthen its position in the global timber market thanks to investments in the construction of new facilities (utilising foreign investments and greenfield projects with state participation), significant growth in both domestic and international demand, and the possibility of reducing imports of advanced processed products from 32% (2006) to 0% (2020).

In summary, the strengths of the Russian forestry sector lie in the substantial forest resources,

improvements in the regulatory environment, potential state funding for infrastructure, the development of domestic industry, and the presence of regional governments that are interested in attracting investments in local economies.

However, potential foreign investors are wary of making significant investments in Russia – notwithstanding the rapid growth of domestic demand and a high export potential – taking into consideration such factors as poor business transparency, limited accessibility, underdeveloped power and transport infrastructure, outdated equipment, illegal logging and the risks related to the government policy in this area, as well as dependence on local governments and other interested parties.

Nevertheless, the Russian forestry, pulp-and-paper sector offers promising opportunities for foreign investors.

CRISIS IS ONLINE

The last few weeks have come as a fundamental shock to the world financial systems with major financial institutions either disappearing or seeing their market capitalization plunging, and world stock markets registering unprecedented falls.

There has been speculation as to how far the market turmoil is just a phenomenon of the financial system and will only have limited effects on the 'real world'. To some extent I can understand this line of thought. It is certainly true that the drop of the stock market magnifies what is likely to happen in the economy. Few are predicting the near total collapse of economic activity any time soon, and those who have are generally the so-called short-sellers with a vested interest in making such forecasts. Even so, although the impact in the real world will be far more moderated than that seen in the financial sector, it is very clear that there will be significant effects.

I believe that a recession in a number of major economies including the USA, the United Kingdom and much of Europe is now certain. This will reduce global growth, and will probably result in steep falls in the pace of growth recorded in the BRIC countries.

As for the forest, paper and packaging (FPP) industry, an overwhelming majority of industry insiders believe that competitive factors will continue to favor companies in Latin America, at least over the medium term. This contrasts with the relatively gloomy prognosis for traditional regions, suggesting that few expect any near term change in the fortunes of companies in North America and Europe. The main impact of the crisis on the FPP industry (and on a number of other industries as well) is that there has been a drop in demand for its products from traditional consumers resulting in the global market glut. Coupled with the rise in export duties on lumber, the current situation on the global market poses big challenges to Russian businesses from the industry – they have to take appropriate measures, such as production suspension, curtailment of expenditures (including staff reduction), etc. Today, it is difficult to predict how the crisis will develop and what effects it could have on the FPP industry. However, the leading Russian companies share the opinion that the industry's long-term prospects remain positive. So, they will address strategic issues based on this outlook.

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RUSSIA DECLINES CONTRACTS BUT APPRECIATES INVESTMENTS

The increase of export customs duties on roundwood up to a prohibitive size on January 1, 2009 has been the focus of discussions at all international forest forums attended by Russian forest industry representatives. Russia's government chose a reasonable and humane approach in relations with foreign consumers of Russian roundwood — an incremented elevation different from earlier practices when such things occurred a month after the cabinet of ministers signed the resolution.

ROUNDWOOD EXPORT NOW UNDER BAN

Current export duties on roundwood average 25% (at least 15 Euros per m³), but beginning in 2009 they will triple to 80% (at least 50 Euros per m³). Therefore, export of roundwood from Russia will become economically unfeasible. In order to gain even minimum profit, Russian exporters would have to sell their timber internationally for at least 300 dollars per m³. In this case, Russian timber is very unlikely to find a buyer. A much more realistic scenario is closing or moving plants oriented toward Russian logwood to the territory of Russia.

At some point, the 'forest issue' became an apple of discord in intergovernmental relations between Russia and some European countries. Finland took the most active position. This was not a surprise as Finland procures about 20% of all required timber from Russia. The ultimate demand of foreign leaders was that Russia give up the idea of increasing, or at least postpone the introduction of, the roundwood duties. Until recently the Russian government

occupied a stern position on this question, even faced with the threat of Russia's non-acceptance in the WTO. However recently, in the middle of November, Prime Minister Vladimir Putin declared the government's decision to postpone the input of barrage roundwood export duties by 9-10 months. It could not be definitely established at the moment whether this decision was taken under the influence of the global financial crisis or in connection with persuasions of near neighbors, or whether it was planned beforehand.

A CARROT AND A STICK

Russians quite often use the saying about the carrot and stick approach; it suits the forest industry perfectly. Indeed, on the one hand, the government forces foreign processors to refuse Russian timber and actually close their plants or switch to other suppliers. On the other hand, its policy provides for the aggressive attraction of foreign investors wishing to put money both into harvesting and integrated timber-processing. The final aim of these measures is to create an impetus for the development of a processing

industry inside the country and upgrading of the production techniques.

Investors gain a guarantee of easier access to the forest resources and a permit to sell the value-added wood-based products on the global markets almost duty-free. Given the low production costs, the government is sure that Russian products will be quite competitive.

For this purpose, the government issued Resolution #419 'On Priority Investment Projects in the Area of Forest Development', under which the leaseholders can get forest plots at dumping prices (half the minimum stumpage price rate) without auction. Some regions will establish investment funds and arrange tenders for businessmen. The winners will be entitled to the absurdly cheap budget credits or compensation of credit formalization costs, provided the credits are taken from commercial banks.

By no means does the export-import regulation play a significant role in this process. Plainly speaking, the aim of the regulation is to prohibit the move of raw materials out of the country through introducing prohibitive export duties on roundwood and products with low added value, and minimize the cost of modern machines coming from abroad through abolishing import duties on equipment. Apart from this, the government is encouraging the production of competitive value-added products: paper of higher grades, lining, millwork, etc. This is done by lowering export duties on products with the higher added value (lining, euro-pallet, offset and other papers, etc.) in comparison with, say, ordinary lumber or pulp.

ROUNDWOOD ONLY, THE REST ASIDE

Today, most Russians perceive 'customs and tariff regulation' in relation to the TI as just a gradual increase of the customs export duties on roundwood up to prohibitive levels.

Such interest was mainly inspired by the shortage of raw materials experienced by the major processing plants which could entail severe social uproars in industrial cities. The country faced timber starvation while tens of thousands of cubic meters of roundwood went abroad. Too many loggers exporting raw timber were living on the fat of the land. At that point, the regulative decision was made.

The path offered by the biggest processors and environmentalists to the officials was simple and transparent – elevating export duties on roundwood. They followed it fast without thoroughly thinking about the consequences. No doubt, the message of prohibitive duties is good: retransferring previously exported raw materials (according to official statistics, up to 51 million m³ of roundwood – one third of the national harvest) to the domestic processing plants. So, the government said to timber processors: 'You will have enough wood, develop your production'. However, when developing customs and tariff regulative measures, the government, as usual, failed to consider a lot of 'buts'.

GREED DID HIM IN

One of the most crucial 'buts' is the level of domestic prices of raw materials. Chiefs of all logging companies express their desire to supply timber to the domestic market. Moreover, they would like to focus on Russian processors as it is less costly and easier. The level of prices, however, offered by Russian TPM and PPM are lower than those of, say, Finnish and Chinese buyers. The purchase price is often lower than the cost of harvesting and removal.

Naturally, loggers seek ways to make their operations profitable. The obvious alternative is foreign companies buying the raw materials at a price which is twice or thrice as high as the price of Russian procurers. The domestic market may jeopardize logging businesses, leading them to bankruptcy. Logging enterprises integrated into big timber-processing holdings are an illustration of such bankruptcies. It is clear that the owner of such enterprises, a TPM or PPM, does not permit them to supply their products to other regions or, all the more, to other countries.

Integrated logging enterprises plan the supply chain step by step from the timber landing (or shipment terminal) to the processor's warehouse. The market price mechanisms do not work here. The cost of raw timber is determined by the business owner, never by supply and demand (which is almost always lower than the supply). The price, as a rule, does not cover the logger's expenses. As a result, integrated logging enterprises are forced to deliver raw wood at predetermined loss-making prices, get an unmanageable debt load and finally fall into bankruptcy. It is notable that some logging



enterprises go through this process two, three or even four times. This is the catbird seat which independent loggers strive to avoid by arranging export deliveries.

Therefore, the increased customs duties should be accompanied by the loggers' support. It is obvious that a year or two will not be enough to build hundreds of competitive sawmills and PPM able to digest tens of millions of m³ of timber swallowing the domestic market. At the initial stage, the deliveries will be oriented toward the existing processing capacities.

That is, export-oriented loggers expect that the government will work closer with processors, particularly in the area of price regulation. It stands to reason that interference with price mechanisms contradicts all market laws, but these measures are critically important. Otherwise, forest settlements will face social disasters. The country will have to tackle another serious issue: finding work for all the people who became unemployed as a result of the closure of logging enterprises.

Nevertheless, the incremented increase of export duties has had some positive effect. Today, some big Russian regions are seeing a notable growth of domestic prices for roundwood. To a large extent, this is related to the actions of foreign buyers who are hurriedly purchasing excessive volumes of roundwood before the introduction of prohibitive duties in order to partially compensate for their expected losses starting in January. Russian enterprises unable to compete (in prices, above all) with their foreign partners have had to raise the domestic prices.

VARIABLE ECONOMIES

It sounds banal, but Russia is a large country. One will not find two similar regions. In some of them the forest industry is at its fetal stage, in others it is quite mature and able to process several times more raw timber. However, mature forest industries are quite scarce in Russia. Thus, the economies of loggers in these regions do not suffer from the increased customs duties.

For instance, in the Arkhangelsk region, roundwood accounted for fractions of a percent in the export mix and was not a dominating product. This is due to the high level of the local timber-processing industry which may

'eat' almost unlimited volumes of raw materials harvested in and out of the region. However, despite such an infinitesimal roundwood export percentage, the TPM are 40–50% under-loaded. It has become clear that the economy of the region will not restructure as a result of the increase on duties.

As for the border regions – the Republic of Karelia, the Primorsky and Khabarovsk regions and a number of other regions and republics – the situation is quite the opposite. These territories lack developed processing industries. That is why roundwood export was the major source of income for timber producers who will lose it starting soon.

It is obvious that years of merely unrestricted roundwood export should have brought the exporters a certain free capital which could be spent on the establishment of production and output of value-added timber products. The government seemed to hope for the same when it decided to increase the duties.

For example, in 2007, the share of unedged timber in the Khabarovsk region forest export was as high as 98%. Despite multiple attempts by large Far-Eastern companies to develop integrated timber-processing projects and find investors, the breaking point is still a good distance off. That is why roundwood exporting regions have become increasingly conscious, asking the government to postpone the elevation of the customs duties.

PEOPLE PLEAD FOR A GRACE PERIOD

Recently, the issue of customs duties has been actively discussed both in international sessions and meetings and inside the country.

Regions with developed harvesting techniques but immature timber-processing have increased pressure on governmental agencies, asking them to postpone the introduction of prohibitive customs duties until 2012. The companies and businessmen who announced and carry out the priority investment projects in the regions have also asked for a postponement.

Last year, during the public discussion of the governmental resolution on prioritizing regional projects, a group of timber producers proposed an introduction of a duty-free export of roundwood for a period of plant building

or upgrading as a measure to support priority investors. The Ministry of Economic Development (responsible for drafting the document) turned down the idea, retaining only one support measure for the priority investor, i.e. a 50% reduction in the stumpage price. Therefore, the government's reluctance to postpone the date of the prohibitive duties introduction seems quite logical and consistent.

REDUCTION IS SEEN

Nonetheless, higher customs duties have already borne some fruit. In the middle of last year, most regions, despite the global growth of roundwood prices, demonstrated a reduction in the export of unedged timber. The trend continued this year.

So, according to the Russian Forestry Agency (Rosleskhoz), unedged timber export decreased by 10% in the first half of 2008. It is noted, however, that the reduced log export is mainly due to the increased domestic demand. The critical shortage of raw materials in the country is apparent; the processing plants need input. Interestingly, eastward oriented export has slowed down while deliveries to Finland remain as they were.

In general, no significant fall in roundwood export is expected this year. Today, export duties, though they are quite high, still allow for a profit when shipping timber abroad. Moreover, foreign producers oriented toward Russian timber are doing their best to pack their timber warehouses to the rafters in order to have time to calculate and implement new schemes of deliveries from other countries, or redesign their production system.

The sharpest increase of the customs policy is to occur when the export duties on unedged timber will increase up to 80%, with a minimum of 50 Euros per m³, i.e. probably in August–September 2009. 'I don't think that 2008 will see a notable reduction of roundwood export as many foreign companies are purchasing a lot to build stocks, but such deliveries will become unprofitable after the increase of the customs policy,' – said the chief of Rosleskhoz in April. He also remarked that the processing of unexported timber will be guaranteed by priority investment projects. 'We cut 194 million m³ of timber per year, while the existing and approved nine projects may require an additional

130 million m³ of raw materials,' explained V. Roschupkin. If the optimistic plans of the FFA chief come true, the harvested timber will not be enough to cover the investors' needs; the harvest will have to increase by 80 million m³ per year.

A TEMPORARY MEASURE

These years have seen a new distinct trend towards the regulation of the export of the value-added timber products. The previous years saw the abolition or significant reduction of export duties on pulp, paper, lumber, plywood, etc. Actually, the government is gradually diminishing the tax burden on companies working in wood-processing instead of harvesting.

These measures imply that timber producers who have extra income will invest in the higher processing technologies in order to export lining or LVL instead of lumber (a semi-product used to make more expensive products) tomorrow.

Many experts perceive the current decrease or abolition of export duties on pulp and lumber as a temporary measure. Once again, I'll remark that the government clearly aims to add maximum value to timber. Therefore, with the growth of plants producing millwork, furniture panels, OSB, plywood and many other added value items; export duties on lumber, pulp, and cheap paper grades will start going up and may significantly exceed the level set in 1998. Just as with logwood, the government will introduce prohibitive duties on wood semi-products in a few years.

INTERESTING REGULATIVE MEASURES

Customs officers have made their contribution to the export-import regulation of the forest industry. In late October 2007, the Federal Customs Service issued Order No. 1327 'On Declaration Stations for Certain Types of Commodities'. The document cut the number of customs station, through which the roundwood and products of primary conversion may be exported by five times. The country retained 128 stations instead of 668.

The order came into effect on March 11, 2008, and the first working days showed that the regulative measure was unfit, to put it mildly. Certainly, the goal of the customs officers was good to reduce fraud when exporting





the low added value timber. But in the end, this initiative affected both the violators of customs regulations and reliable forest export businesses.

Some regions were devoid of their own customs stations through which the timber could be transported. For instance, the list of 22 customs stations with a permit to handle timber and wood semi-products excluded all the customs stations located in the Kemerovo region. The same problem was faced by the Murmansk region, which lost its forest customs station too.

According to the chief of the Kemerovo customs office, Kuzbass timber producers will have to declare their products in neighboring Krasnoyarsk, Altai, Novosibirsk and Irkutsk regions, which means hundreds of additional kilometers of transport.

The effectiveness of the reduction of customs stations handling roundwood and low added value timber products, however, has not been confirmed in all certainty. It is obvious that this measure should be in harmony with the customs duties and the reduced number of customs stations as a regulative measure will be in effect only before such period of time, when the prohibitive export duties are to enter into force. Then, even if all roundwood customs stations are opened, the flow of export will remain unchanged.

ADDED VALUE INSTEAD OF LOGS

When it comes to export-import regulation, memory offers the well-known carrot and stick analogy, and the mind draws some links between these two (actually incompatible) notions. Indeed, on the one hand, the government makes the producers deliver raw timber to the domestic market through higher export duties on roundwood. The businesses have only one alternative bankruptcy. On the other hand, abolishing import duties on modern woodworking machines, offers entrepreneurs the chance to procure advanced equipment, establish new processing sites and refurbish the existing ones. This approach can hardly be called a comprehensive one.

The first step in favor of the Russian timber producer was made in August 2005, when the import duties on woodworking equipment with no analogues in Russia were set at zero for

a nine month period. Actually, this was the first practical measure taken by the Russian government aimed at prioritizing development areas in the forest sector instead of getting extra revenues. It was the first time that the government used its deeds to outline the priorities in TI 'timber processing rather than harvesting'. The effective period of zero customs duties was extended several times. The experts confirmed the correctness of the measure, but expressed concern about the untimely character of the governmental initiatives. It was simply too late for most companies to survive.

Apart from timber producers, the abolition of import duties on woodworking equipment was lobbied for by representatives of the furniture producers association. To push the duty abolition, the Association of Enterprises of Furniture and Woodworking Industries of Russia submitted the Ministry of Finances with cost estimates showing that the budgetary expenses of 2 million US Dollars were covered by a 3 million US Dollars profit. Nearly 100 items of the total of 800 included on the current governmental list are connected to woodworking equipment.

EVERYTHING DEPENDS ON US

As the government goes, one can successfully lobby an abolition of duties on imported equipment or exported products. The proposal should be supported by cost estimates. For this, the proposals need to be backed by feasibility calculations. For instance, why should exported lining be free from customs duties? You should prove that the government will get back the money it lost as a result of the measure from profits within a year or two. It means you redirect the released money to technological development, launching the output of new types of high added value products, which will bring notable profits to you and entail higher tax revenues for the budget from your business. The same scenario may be applied to woodworking equipment.

It is apparent that only big timber companies or industrial unions knowing special routes to the corresponding agencies are able to lobby their interests at the federal level. A small business tossing a challenge to the country and justifying the support of the timber industry will surely have a hard time.

A. Grevtsov



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A SIMPLE QUESTION AND A COMPLICATED ANSWER

The issue of Russia's increasing export duties on roundwood seems to be closed for now. Nevertheless, experts keep speculating on the degree of profitability for the largest producers, which are most dependent on Russian raw timber. How will partners sharing investment risks behave in this situation? Will the Russian TI strategy aim to expand the roundwood market niche in Russia and abroad? Analysts are sure that big western distributors will buy interests in Russian timber companies. There are plenty of questions and forecasts, so we will try to help big forest investors navigate and understand the nature of initiated reforms.

The third major increase is planned for 2009. It is expected to boost proposed large-scale investments into the Russian timber industry like those of UPM-Kymmene and Sveza, and other projects which are still under wraps.

The UPM-Kymmene and Sveza project has been postponed till 2009. The reason is obvious. The Finns are awaiting the third phase of duty increase. They are sending a silent message: 'Do not introduce duties, and we will build the plant'. However, if the third increase takes place, they will be even more obliged to build the plant.

IKEA is also reluctant to establish new high-capacity facilities in Russia. It seems IKEA's sluggishness stems from the same reasons as UPM-Kymmene. Products sold by IKEA use 6.5 million m³ of roundwood sourced from Russia.

There are companies, however, which are likely to benefit from the higher export duties. These include, first of all, such companies as Varyag Resources, affiliated with Swedish Lundin Oil Company and Russian Timber Group, the company of Peter Hambro and Pavel Maslovsky. If this third duty hike occurs, these businesses will obtain three bonuses: plenty of low-priced roundwood for domestic facilities, hungry Chinese and RF markets, and finally a vast increase in the value of their Russian forest assets.

Both Varyag Resources and Russian Timber Group are foreign companies buying up Russian forest assets with the aim of increasing their capitalization and augmenting income. They are striving to borrow money on public markets, though with little success so far. If the third duty hike occurs, their chances will improve.

Finally, the International Paper Company will also be none the worse off if export duties go up. Firstly, the cost of input roundwood for their PPMs will fall. Secondly, the cost of input roundwood for its Chinese competitors' plants will rise sharply. Isn't this a good thing? For International Paper, of course, yes! (Note: I do not distinguish between Ilim Group and International Paper, as the former is almost under full control of the latter).

The four basic products expected to face the greatest global price growth in the future are: plywood, lumber, pulp and OSB. Now let us take a look at the biggest producers who are most reliant on Russian wood resources.

There are three main types of business players investing in the Russian timber industry. These include UPM-Kymmene and International Paper, the so-called private equity investors like Varyag Resources and finally distributors of Russian woodworking products. The latter category decided to safeguard lumber deliveries from Russia by purchasing the controlling interests of their major suppliers. Examples of such companies are the British Tsar Timber Group and the German Cordes.

BIG TIMBER PRODUCERS

UPM is one of the leading global woodworking companies. The group enjoyed 10 billion Euros in sales in 2006. It has production facilities in 14 countries supplying products to the key markets in Europe and North America. The company's stocks are traded on the OMX Nordic Exchange, Helsinki. UPM annually consumes 5 million m³ of roundwood from Russia, which constitutes 20% of the global roundwood consumption of the group. Its annual Russian harvest approaches 1 million m³ per year. UPM is the world's leading plywood producer (1.2 million m³) and second largest birch plywood producer in Europe after Sveza (0.6 million m³). It was UPM that built the only birch plywood plant in Russia since the collapse of the Soviet Union, with a capacity of 75,000 m³ per year.

The planned UPM and Sveza project in the town of Sheksna (Vologda region) is to produce 800,000 tonnes of pulp; 300,000 m³ of lumber; and 450,000 m³ of OSB. After having established a group of enterprises jointly with Sveza, UPM will corner a monopoly in birch plywood production with an annual output of 1.1 million m³. Currently, Sveza produces approximately 25% of Russian plywood. Considering the enormous Russian birch stock, the plants have a good potential for expansion. Plywood has always been, and still is, the fastest growing wood product market in Russia. From 1997 to 2006, plywood production in Russia grew from 943,000 to 2,598 million m³, which is a 20% annual increase. After the duties increase, plywood production is predicted to gather pace. The annual growth rate from 2007 to 2012 will be at least 50%. Birch plywood, a high-quality product, is used in finishing, furniture and other building purposes, as well as in lining liquefied gas carriers. This last sector offers the biggest orders, which may be of special interest to Gazprom assets. UPM's lumber capacity is 2.4 million m³ per year.

IKEA is a furniture seller. In addition, it produces lumber and furniture panels. IKEA, in my opinion, is the most promising asset in the global furniture industry. It is the biggest and fastest growing asset with the highest income rate and a turnover of 19.8 billion Euros. Moreover, the company is most dependent on Russian roundwood.

IKEA is the top furniture distributor in the world in terms of turnover and income rate.

IKEA Group employs 118,000 people and has 31 distribution centers (plus 11 distribution centers for direct sale to clients in 16 countries). The company purchases furniture made to its own internal standards in different countries and transfers the products to specialized IKEA shops all over the world through its distribution centers, which are responsible for storage, distribution and transportation of furniture.

The five countries from which IKEA procures its products are:

China – 22%;
Poland – 16%;
Italy – 8%;
Sweden – 6%;
Germany – 6%.

The major drive for China's roundwood consumption is the export of wood-based products to three regions: the USA, the EU and Japan. There have recently been signs that domestic consumption is on the rise as well. Products demonstrating high growth rate are furniture (the average export growth for the period 1997-2006 was 19% per year) and plywood (the average export growth for the same period was 100% per year). In general, the export of wood-based products from China increased from 3.6 million US Dollars in 1997 to 17.2 billion US Dollars in 2005.

IKEA buys Chinese wood-based products made from Russian roundwood. This wood is used in 25% of products sold to IKEA.

As of 2006 the volume of timber used in products procured by IKEA is 6.4 million m³. Of this, 5 million m³ is roundwood bought from Russia and processed by Chinese plants.

At present, the roundwood from Siberia and the Far East is processed in Manchzhouli and SunyFenHe. It is then transported on the Trans-





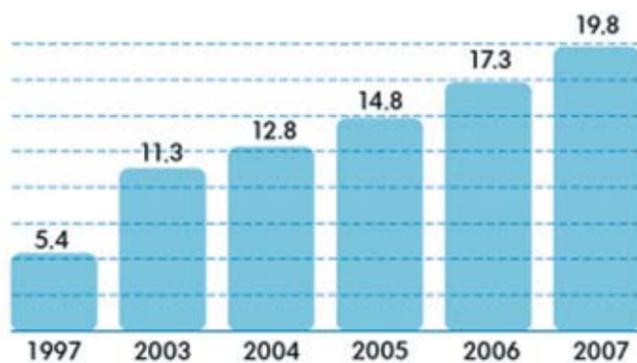
Siberian Railway to the Beijing and Shanghai distribution centers of IKEA, which ship all over the world and within a small part China itself.

The revenues of Russian roundwood exporters which supply IKEA approximate 750 million US Dollars. Plywood and other wood-based products are the major IKEA product items made from this roundwood. The cost of round timber accounts for 65% of the production cost. In China, the percentage may be even higher due to low labor costs. The increased roundwood export duty will entail an increase in production cost for items made for IKEA in China.

Thus, one can estimate that given the consumption of 5 million m³ per year, the cost of roundwood in 2009 after the introduction of the 80% duty will reach 1.5 billion US Dollars, i.e. 50% of IKEA turnover instead of 25%. This is twice as much as the income gained by the company from selling products made in China from Russian wood.

It should be noted that the company's strategic plans provide for an annual 15–20% increase in production, with a corresponding roundwood consumption of its suppliers reaching 10.8 million m³ in 2010, i.e. a 50% increase against 2006. This will require an additional 3 million m³ of Russian roundwood.

Because of this IKEA has developed several action plans: transfer of procurements to other countries, significant expansion of its forest estate in Siberia and the Russian Far East, and relocation of its Swedwood facilities there or supplying timber to Chinese plants based in Russia. Finally, it can buy products from Chinese companies which will transfer their facilities



IKEA Group sales in 2007 grew by 14% in comparison with those in the previous year

from China to Russian Siberia and the Far East. In addition to this, the newly established local plants may become IKEA suppliers.

PRIVATE EQUITY

Who are private equity investors in the context of the Russian timber industry? They are financial organizations borrowing money on the western financial markets to purchase logging rights in Russia. They buy up forest enterprises and Russian timber companies which have extensive rights for roundwood lease. These are, above all, assets in Siberia and the Russian Far East. In other words, the roundwood used in products which find their market in China and Japan.

The calculations of these investors are clear. Forecasts about the Chinese market focus on significant growth in the nearest future; the market potential is huge; if there is a third phase of duty increase, the cost of Russian forest assets will go sky high. I am sure these calculations are correct.

Such investors put funds into different industries, both forest related and others, with the purpose of lowering their investment risks. If something goes wrong in one area, other sources will compensate for the loss.

Moreover, they often have strong partners to share the risks, such as Vostok Nafta Company and Varyag Resources. Vostok Nafta actually belongs to the Swedish oil trader Lundin. Varyag Resources' stocks are listed on the Swedish stock exchange. The company invests in the main capital of Russian timber companies, whose stocks are not sold publicly. Its largest asset is PIK 89 timber harvesting company in the Irkutsk region. Varyag Resources and Vostok Nafta each own 40% of the company's stock. The company's leased forest area is 345,000 hectares; the annual allowable cut (AAC) is 629,000 m³ of roundwood. Apart from this the company outputs 120,000 m³ of lumber, exported to Japan, China and the Middle East, and also has a 25% interest in a roundwood shipping terminal located in the Irkutsk region.

At present, the consolidated assets of Varyag Resources in the Russian timber industry have an aggregate AAC of 1.45 million m³ of roundwood. The overall production is 150,000 m³ of dried lumber per year. The company intends to expand its lumber production to 320,000 m³ in 2008 by

commissioning two new sawmills – the Nebelsky and Viking plants. The Viking project re-energized Angarsky Timber-Processing Plant in the Krasnodar region. The new Boguchansky Timber-Processing Mill (TPM), Ltd. has been established. According to estimates, the sum of the deal was 3 million US Dollars.

The mill has applied for inclusion into the priority investment projects list. It is a point of interest that the enterprise is a former asset of IKEA structures. One can assume that IKEA China will become one of the major clients or even a co-owner of the Boguchansky TPM.

It is also notable that the Boguchansky TPM is located near the Boguchanskaya HPP and will enter the cluster of users of cheap electricity, which means reduced production costs.

All of the above confirms that the Russian projects of Varyag Resources are among the most liquid and attractive for forestry investors.

Another typical example of private equity forestry investors is the Russian Timber Group. Its shareholders are British businessman Peter Hambro and his Russian partner Pavel Maslovsky. The company has a controlling interest in LPK Tyndales, LPK, JSC and Tayezhny, LPH Ltd. The minority shareholder of the group is Blackrock Investment Fund, holding 3% of shares. The company has permits to develop 2.4 million hectares of Russian forest.

In early 2007, the Russian Timber Group purchased RusLesGroup, Ltd., the owner of timber-processing mills in the Irkutsk region, which is allegedly affiliated with Tairiku Trading House. The company was established in 1987 by the Japanese Tairiku Trading Co., which was itself organized in

1965 to trade exclusively with the USSR. Since 1966, Tairiku Trading Co. has been importing large consignments of roundwood from Russia to Japan. In 2007 the company's turnover was 101 million US Dollars. Therefore, Tairiku Trading Co. is one of the biggest importers of Russian timber products. The company established a joint venture with Alexander Rudik, the ex-governor of the Irkutsk region and a co-owner of investment fund GK Region. Alexander Rudik is also the director of RusLesGroup.

RusLesGroup leases 1.1 million hectares in the Irkutsk region with mature stock of 129.8 million m³ and AAC of 2.14 million m³. Pine and larch account for 49% and 30% respectively of the company's forest estate. The volume of harvest is 1.4 million m³ per year by the Tairiku Trading plants (Igirma-Tairiku and Vanino-Tairiku) to produce 250,000 m³ of lumber. RusLesGroup submitted Energy, a project applying for inclusion into the priority investment projects list, to the Ministry of Industry and Energy. It provides for the construction of a new 500,000 m³ plant in Igirma. The investments will be 3.3 billion RF rubles. If the project comes to realization, the aggregate lumber output will reach 750,000 m³ per year, which will make Tairiku the leading lumber producer not only in the Far East and Eastern Siberia, but in Russia as a whole.

If the project is included in the priority investment projects list, the company may stake a claim to an additional forest estate with at least 1 million m³ AAC. Thus, by 2012 RusLesGroup, allegedly affiliated with Tairiku Trading Co., is expected to produce 750,000 m³ of lumber per year and hold a forest estate with AAC of at least 3.14 million m³ in the Irkutsk region. This will enable it to process 1.5 million m³ of roundwood. Cooperation with the regional authorities helps Tairiku obtain large forest areas for use. And in expanding its production facilities, the company will process roundwood which will not be exported by other Japanese companies.

It is worth noting that the group's harvesting assets are in close proximity to the Baikal-Amur Mainline (BAM) railway, and not far from the Trans-Siberian railway. Igirma's main production facility is located on the Igirma River, a tributary of the Ilim River, itself a tributary of the Angara River. All of the above are used to transport roundwood to the plant. The finished products are shipped on the nearby BAM. They are delivered through





the Vanino Port in the Khabarovsk region to Japan, and by the Trans-Siberian railway through Manchzhouli to China.

Moreover, the company has announced additional investment projects: another 500,000 m³ sawmill in the settlement of Yantal, an OSB plant for processing low grade timber in the Rudnogorsk settlement in the Nizhneilimsk district (320,000 m³) and an MDF plant in Novaya Igirma (270,000 m³). The total investments in these projects amount to approximately 12 billion RF rubles. If built, these plants will be put into operation no earlier than 2014.

In 2007 the Russian Timber Group stated that it had to reject the idea of an initial public offering (IPO) because of the unfavorable market environment. 'The IPO attempt coincided with the new liquidity crisis wave,' explains Pavel Maslovsky, co-owner of the group. According to a source close to the Russian Timber Group: The permissible IPO cost didn't suit the company. Pavel Maslovsky adds that the company may return to the IPO idea in 2008.

The company intended to sell new shares for 100 million GB Pounds (207.6 million US Dollars). The group's shareholders could sell additional securities for 25 million GB Pounds (51.9 million US Dollars) provided the demand is high. The price corridor was set at 0.9–1.1 GB Pounds (1.86–2.28 US Dollars) per share; thus, the average capitalization of the Russian Timber Group is 370 million GB Pounds (768 million US Dollars).

Money obtained from the IPO was to be spent on development and partial discharge of its debts. Now, according to Pavel Maslovsky, the company is going to develop at its own expense. It attracts development credits from private Russian commercial banks. Raiffeisenbank, JSC will open a credit line to RusLesGroup, Ltd. (Moscow) for a total sum up to 15 million US Dollars, as was announced by Tyndales LPK, JSC (member of RusLesGroup).

DISTRIBUTORS OF RUSSIAN TIMBER PRODUCTS

Now let's turn our gaze away from the private equity investors to the lumber distributors which have purchased controlling interests in Russian plants to secure the deliveries of timber products from Russia. Their niche could be occupied by new actors in the Russian timber industry.

The biggest such project is that of Sumitomo Forestry and Terneyles in the Primorsky Region in the Russian Far East.

The Russian company Terneyles has announced a project to construct a rotary-cut veneer plant. The only consumer of the company's products, holding 45% of Terneyles shares, is the Japanese Sumitomo Forestry Corp., which is a part of Sumitomo, one of the six biggest Sogo Shosha (general trading companies) in the world.

Sumitomo Forestry participates in the share capital of timber harvesting and processing plants all over the world and acts as creditor. In addition to this, the company trades roundwood on a global scale, and buys and sells forest assets. In 2003–2004, the turnover of Sumitomo Forestry was 571 billion Japanese Yens (5.5 billion US Dollars). The company has two core businesses: forest and construction materials (40% of sales return) and building construction (50% of sales return). Sumitomo Forestry is the biggest producer of traditional Japanese timber houses and the biggest timber importer.

The company expects a boom on the construction market. Its profit for the year ending in March 2006 reached a record of 791,128 million Japanese Yens (approximately 6,729.3 million US Dollars). The network profit was 10,842 million Japanese Yens (approximately 92.2 million US Dollars in 2006) – a 35.3% growth against 2005.

The company plans to spend 360 billion Japanese Yens (2.9 billion US Dollars) on foreign real estate and forests in the next ten years, as the falling sales of new houses are affecting its profits.

Sumitomo Forestry increased its block of shares in Terneyles up to 45% after the rise in export duties for roundwood. This was based on the assumption that Terneyles will augment harvesting rates to process as much timber as possible by 1 January 2009. As a result, Sumitomo Forestry got its own 1 million m³ resource base with a lease period of 49 years on the territory of the Primorsky Region. Furthermore, the company is buying another 1 million m³ of roundwood from Primorsklesprom. Therefore, Sumitomo Forestry consumes about 2 million m³ of roundwood supplied by the region.

Under the project, the construction cost of a

plant with a capacity of 100,000 m³ of rotary-cut veneer is 50 million US Dollars. In addition, Sumitomo Forestry and Terneyles intend to build a plant to produce 200,000 m³ of rotary-cut veneer and 150,000 m³ of lumber. Investments into the veneer and lumber plants will be 100 million US Dollars and 50 million US Dollars respectively. In order to build these two plants, capable of processing 750,000 m³ of roundwood combined, Terneyles is taking a 150 million US Dollar credit from Japanese banks. The facilities are to be commissioned by the beginning of 2009 - that is, by the introductory date of the prohibitive duties. Perhaps, these plants will be put into operation in 2010 and reach full capacity in 2011.

The biggest importer of Russian roundwood and lumber is the Japanese Sojitz Corporation. The turnover of its construction materials and timber products division is 4 billion US Dollars; the total turnover is 42.5 billion US Dollars per year. The system of cross-shareholdings by Japanese trading companies and financial institutions offers virtually unlimited opportunities. Sojitz is the leading plywood trader. The company's products stably occupy 30–40% of the regional markets.

Sojitz Construction Materials Division purchases imported lumber and roundwood, sells them to local Japanese manufacturers, then buys and sells finished products made from these materials. Laminated lumber production in China is a part of this business. This is the first fully Japanese joint venture uniting builders, timber traders and lumber producers in the industry. The aim of the project is to produce goods from Russian roundwood for export to Japan. The project is to secure the delivery of timber products to Japanese construction companies. Sojitz imports 1.1 million m³ of logs from Russia annually, accounting for about 20% of roundwood imported from the RF. The company buys roundwood from Smena Trading, Flora, JSC, and Dallesprom, JSC. It also established two joint ventures for building larch veneer plants in the Khabarovsk region (Dallesprom) and in Komsomolsk-on-Amur (Flora). The planned aggregate capability of the facilities was 240,000 m³ of larch veneer.

However, Dallesprom leaders announced that they terminated the agreement with Sojitz because they wish to produce plywood and sell it on the international market for themselves. In

addition, Dallesprom bought 25% of Flora stock, and announced that it will insist Flora break off relations with Sojitz. This comes from an interview with managers; no official statement has yet been made. It is obvious that Dallesprom and Sojitz are competing for the roundwood stock of the Khabarovsk region, which is used to produce larch plywood, a major product on the Japanese construction market.

Sojitz projects aim to produce 120,000 m³ of larch veneer each year. The investment per enterprise is 50 million US Dollars. The construction period will be approximately two to three years. Thus, by 2012 Sojitz may have at least one 120,000 m³ larch veneer plant in the Khabarovsk region. The company, however, does not have its own resource base or production facilities in Russia. And its relations with Flora are problematic as 25% of shares belong to Evraz-Dallesprom. Therefore, the possibility of such a project is assessed at 50%. Moreover, Sojitz established a joint venture with the Japanese Shimizu Construction Corporation aimed at processing Russian roundwood in Manchzhouli, China; the biggest roundwood export point on the Chinese-Chita border.

Shimizu Corporation – a Japanese construction company – is one of the five largest Japanese contractors, with an annual turnover of 14 billion US Dollars. The company produces LVL from Angara pine and exports it to Japan. Sojitz and Japanese Toshikava have a Shanghai-based joint wood-processing venture also relying on Russian roundwood. The enterprise sells its finished products in the first and only Chinese shopping center for Japanese building materials operating in Shanghai.

The increased duties will force Sojitz to build a plant for the primary conversion of roundwood in Eastern Siberia or the Russian Far East in order to provide its Chinese plants with raw materials at competitive prices.

Such a plant may use the rich forest resources of the Chita region and Buryatia. In this case Sojitz will need a big Russian partner; for instance, an investment fund having the rights to harvest timber in the regions in question. We believe that such an enterprise may be established in the place of Katagarsky Chitales timber plant in the Chita region, and at, or close to, Selenginsky wood-sawing plant in Buryatia. These are the only large existing plants in the Chita region



and Buryatia.

It is noteworthy that the benchmark of the new timber complex of Siberia and the Russian Far East may be the defunct Lesogorsky Sawmill in the Amur region, built in 1970, which used to produce up to 500,000 m³ of lumber and was among the top five Soviet sawmills.

Japanese businesses present attractive opportunities for investors to put money into the parent Sogo Shosha and their forestry divisions, and into Russia-based joint ventures whose stocks are traded on the Russian stock exchange. Moreover, Japanese companies seek strong partners for joint investments into the Russian forestry estate. The profit margin of the forestry divisions of Sogo Shosha is the highest in comparison to the remaining trading activities.

Currently, Japan procures about 3.5 million m³ of roundwood from Russia for larch and other coniferous plywood. This means that after the prohibitive duties are introduced, at least 2.8 million m³ of Russian peeler logs will never enter Japan or be processed by Japanese companies in Russia. We are referring to 1.1 million m³ of plywood for building construction, i.e. a turnover of more than 500 million Euros per year. We think that this volume will be distributed to a great extent between Western Russian and Asian plywood producers.

The Tsar Timber Group is another example of a distributor of Russian roundwood investing into the Russian timber harvesting and processing businesses. This is an international vertically

integrated company comprised of logging, processing and trading companies. The main assets of the holding are concentrated in Great Britain, the Republic of Karelia, and the Krasnoyarsk and Irkutsk regions. The biggest Russian assets are Kemsky TPM and Pyaozersky LPH. At present, the group accounts for 10% of the aggregate Russian export of coniferous roundwood to Great Britain.

The strategy is to expand the market share both in Russia and abroad and to enter high added value segments, such as added value products, house building, and fuel pellets. The Tsar Timber Group controls 10% of the Russian lumber market in Great Britain. The Tsar Timber Distribution Company was nominated as the best supplier of softwood lumber of 2005 in Great Britain. The main shareholder of the Tsar Timber Group is a private equity fund, Zindel Investment Partners, which implements projects in Eastern Europe and Great Britain. The fiduciary funds are 100 millions US Dollars. The fund is administered by Standard Bank. It invests into cutting-edge technologies and the fast growing markets of Eastern Europe and CIS countries.

We expect some other western distributors to purchase interests in Russian timber companies. A demonstrative example of such companies is the German Cordes Company, which has for many years been the biggest distributor of lumber imported to Germany from the Arkhangelsk region. Recently, the company bought a controlling interest in its major client – Lesozavod #3 Company (Northern Timber Partnership). Lesozavod #3 was formed by branching off Solombala TPM in 2007. The group of former Solombala TPM shareholders and Lesozavod #3 jointly obtained a harvesting permit for 350,000 m³ per year. In 2006, the company produced 214,000 m³ of roundwood.

We have therefore described three main groups of entities investing into the Russian timber industry, which have emerged out of the wave of reforms in the forestry sector: big timber companies, private equity investors, and distributors of Russian lumber. Investors may rely on our information when considering investments into the RF forest industry.

I. Ryvkin

LIGHT IN DARK WOOD

Well, one could definitely say that this story began with the forestry industry. The US construction industry mainly uses wood; therefore the story of the crisis comes from the forests.

This is not a matter of pride for people working in timber processing; just a matter of fact.

But pride could come in the near future. Not alone, but together with good profits. How?

The crisis could begin marching towards its end from the same forest industry. The pressure on Russian currency could lead to its devaluation. Nobody knows how significant it could be. But such a forecast can be heard more often from Western analysts and among Russian companies.

But then it would be good for the forest industry – very good indeed. Just take a look at Canfor benefiting from the lower Canadian dollar.

Consider that all the logs imported from Russia will be priced in a devalued RF ruble. In this case, the third step of the export taxes will not be not such a headache for Western importers, and the price of logs will not grow dramatically all over the world.

Of course it depends on just how far the RF ruble will fall – and if it will fall! The third step of the export tariffs on Russian logs could increase prices by 5 times. In the last crisis of 1998, the RF ruble stupendously lost two thirds of its value in one month. We cannot assume what could be now, but the results could be considerable.

Suppose, if we assume that my forecast is correct in regards to what will happen to the Russian timber industry; it will be a good thing, in my opinion. And the first good thing is that the log exports will continue, but not to such an extent as in the past. This will provide Russian logging companies with money.

The wood-processing dream in Russia will become more and more real.

Why should UPM not proceed with its 1 billion Euros investment project in the Vologda region? With a devaluation of Russian currency, the project could get substantially lower investment

and production costs in Russia. And I think that this is exactly what Finnish companies need at this moment.

But for those who have already invested in wood-processing, such as Sumitomo in the Russian Far East, and have been pushed by new export tariffs and the necessity to exploit its logging rights, the situation looks even better because lumber and panels produced in Russia should bring them increasing profits on the back of the falling RF ruble. These profits would not be affected by any kind of export tariffs. I am speaking only about exports when Sumitomo will get income in a strong Japanese Yen (compared to the RF ruble) and pay in RF rubles for logs, energy and labor. But nearly all of their Russian production is exported.

Finally, I'd like to make the point that the Russian Government should benefit from higher export taxes, as well as from higher margins based on currency differences.

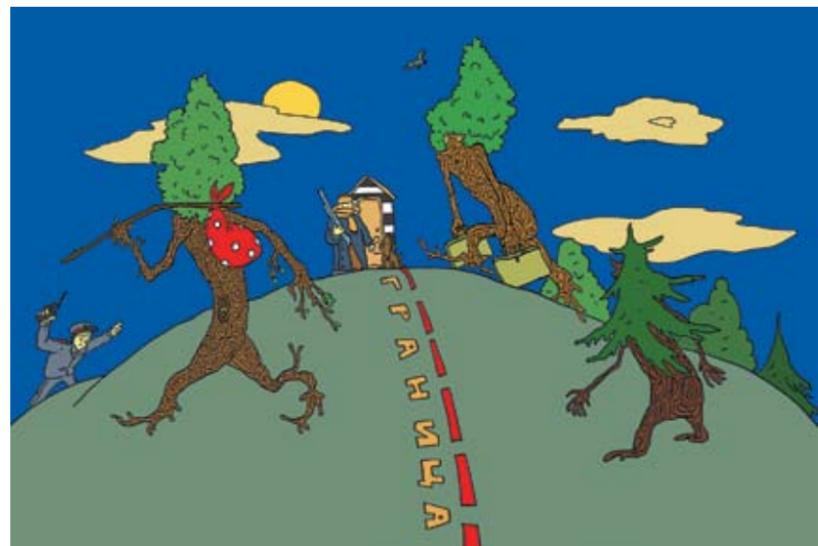
The above statements are based on three conditions:

- The third step of Russian export tariffs will be implemented,
- The RF ruble will be devalued,
- These things will happen in the winter of 2008-2009.

What supports these conclusions?

- The policy of the Russian Government which has already implemented the second step of export tariffs,
- The RF ruble and Russian economy trends in the past few days.

I. Ryvkin



GETTING ON THE RIGHT TRACK

The work of the Russian Government's Forestry Development Council



Today is a time of change in Russian forestry. The new Forestry Code has come into force. The Russian Government and public organizations are paying a lot of attention to reforming the forestry sector of the country. Work is underway to improve legislation, and also develop the technological equipment of the industry. On the whole, forestry is developing intensively, and to ensure success, a great deal depends on literally every player in the updating and optimization process.

The RF Government Forestry Development Council was created on the initiative of Prime Minister Viktor Zubkov (now the First Deputy Prime Minister). This decision was passed at a work meeting on problems of development of the forestry industry which was held in Vologda as part of the All-Russian exhibition fair 'Russian Forest 2007'. The membership of the Council was approved by RF Government decree of 18 December 2007, No. 1845-r. It includes representatives of federal and regional bodies of executive power, heads of forestry structures, the banking sector and science. It is headed by

Viktor Zubkov. As the functions of managing the forestry sector have been placed on him in the new Government, it can be expected that the Council will continue to work with its previous line-up. The main task of the Council is to bring a dynamic to the development of the forestry sector of the economy, where the potential is not being used at anywhere near the maximum level.

There are numerous problems in the forestry industry, and progress is impossible if they are not solved. The state must play a significant role

MEMBERS OF THE RF GOVERNMENT'S FORESTRY DEVELOPMENT COUNCIL

(approved by decree of the Government of the Russian Federation of July 15, 2008, No. 2, 1014-r)

Zubkov B.A. – Prime Minister of the Russian Federation (Council Chairman)

Beloglazov V.I. – General Director of Arkhangelsk PPM, JSC (with concurrence)

Belousov A.R. – Deputy Minister of Economic Development and Trade of the Russian Federation

Belyaninov A.Y. – Head of FTS Russia

Borodin A.F. – President of Bank Moskvvy, JSC (with concurrence)

Churkin A.N. – Chairman of the Board of the holding company Vologda Forestry Industry Workers (with concurrence)

Christenko V.B. – Industry and Trade Minister of the Russian Federation

Dementyev A.V. – Deputy Minister of Industry and Trade of the Russian Federation (Council Secretary)

Dmitriev V.A. – Chairman of Vneshekonombank Federal Corporation

Gordeev A.V. – Minister of Agriculture of the Russian Federation

Hvalin I.V. – Director's Council Chairman of Krona Holding, JSC

Khloponin A.G. – Governor of the Krasnoyarsk region

Isaev A.S. – Academician of the Russian Academy of Sciences

Ishaev V.I. – Governor of the Khabarovsk region (Government Chairman)

Kozak D.N. – Minister of Regional Development of the Russian Federation

Komarova N.V. – Chairman of the State Duma Committee on natural resources, nature management and ecology (with concurrence)

Kondratyuk V.A. – General Director of Federal Scientific Center of Forestry Governmental Unitary Enterprise

Levi S.R. – Deputy Minister of Natural Resources and Ecology of the Russian Federation

Levitin I.E. – Transport Minister of the Russian Federation

Mitin S.G. – Governor of the Novgorod region

Mikhailchuk I.F. – Governor of the Arkhangelsk Region

Odintsov M.V. – Auditor of the Accounting Chamber of the Russian Federation

Pozgalev V.E. – Governor of the Vologda region

Rodin S.A. – Corresponding Member of the Russian Academy of Agricultural Sciences, Director of the All-Russian Research Institute of Forestry and Forest Mechanization, Federal Governmental Enterprise (VNIILM)

Savinov A.I. – General Director of the Federal Forestry Agency

Sanaev V.G. – Rector of Moscow State Forestry University

Svinarenko, A.G. – Executive Vice-President of the Russian Council of businessmen and manufacturers (with concurrence)

Selikhovkin, I.V. – Rector of St.-Petersburg State Forest-Technical Academy

Sergeev I.V. – General Director of the All-Russian Nature Conservation Society (with concurrence)

Siluanov A.G. – Deputy Finance Minister of the Russian Federation

Shalakov Y.A. – Director of the Economic Safety Department of the Ministry of the Interior of Russia (MVD)

Tatsyun M.V. – President of the Union of Forestry Industry Workers and Forestry Exporters of Russia (with concurrence)

Torlopov V.A. – President of the Republic of Komi

Tyurin E.T. – General Director of the Central Scientific Research Center of Paper (TSNIIB), JSC (with concurrence)

here. The interaction between the Government and business in solving key problems of the industry should raise it to a new level. These problems include:

- improving forestry legislation and completing reform of the forestry industry;
- technical re-equipment of the industry;
- removal of administrative barriers hindering the normal development of the forestry industry;
- creation of forestry infrastructure;
- attracting investments and realization of priority projects for increased processing of timber;
- solving social problems of residents of forest settlements;
- developing forestry science, training qualified personnel.

As of July 2008, four meetings by the Council have been held, where a number of issues of regional development of the forestry industry were examined, and the Russian Government has also issued a decree to prepare a draft strategy for developing of the forestry industry in Russia until 2020. According to Zubkov, work should be organized in accordance with the requirements of the Forestry Code which came into effect on 1 January 2007. At the same time, he does not exclude that appropriate changes and amendments may be made to the new code.

Along with the Forestry Code, there are another four laws determining the norms for the transitional period. They are the federal law of December 4, 2006, No. 201-FZ 'On bringing the Forestry Code of the Russian Federation into effect'; two Federal laws by which the necessary amendments were made (Federal law of July 24, 2007, No. 217-FZ; Federal law of May 13, 2008, No. 66-FZ), and also the old Forestry Code (Federal law of January 29, 1997, No. 22-FZ 'Forestry Code of the Russian Federation'), separate regulations of which are in effect until January 1, 2009. The practical value of these documents is determined by the extent to which the situation is improving in the forestry industry.

Along with positive aspects, it should be noted that in some areas, a divergence from the set course of reforms can be seen. The transfer of power on forest management to a regional level is not yet fully complete, which can partially be explained by the transitional period. At present, there are certain difficulties in relations between forestry users and forestry industry structures, especially in the procedure for renegotiating agreements between tenants of plots of forest lands. When reforms get stuck, this directly affects the effectiveness of the work of the industry as a whole. We hope that bodies of executive power in the area of forest management and representatives of the forestry business will find a common language, and by their joint efforts the forestry industry of Russia will get on track to innovative development.

At present, judging by the four meetings held by the Council, it can be seen that the work of this body from Council to Council has started to become a formality. This fact can only dismay forestry industry workers who are interested in the active work of the Council. In the preparation period for the meetings, there were no mutual consultations on important issues, and debates as such were restricted at the last meetings. We believe that our country needs an independent body responsible for all problems affecting the forestry industry. It is not important what status it is given, it may be an agency or a committee. At present, the forestry industry in our country is connected with forest management (currently under the jurisdiction of the Ministry of Agricultural Development), with industry (Ministry of Industry), and the economy (Ministry of Economic Development). It is clear that state regulation of the industry is not complete, and there must be an adjustment of all mechanisms in the forestry sector, which includes forest management, logging operations, mechanical and chemical processing. The huge number of technical barriers, which do not allow the forestry industry to work smoothly, are difficult to overcome at present. It is the work of this Council that is supposed to solve the difficulties that arise.

*A. Churkin,
Member of the RF Government Forestry
Development Council,
Chairman of the Board of Vologda Forestry Industry
Workers, Holding company*



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Alexey Simanovsky of Central Bank is answering the questions at Russian Retail Banking Forum 2007



Deputy Minister of Finance of Kazakhstan Daulet Sovetovich Saudabayev (on the left) at Kazakhstan CFO Summit 2007



Minister of Transport & Communications Rudkovskiy outlines the Ministry's key investment priorities at the Ukrainian Investment Summit 2007



An impressive opening panel for the Energy Day at Ukrainian Investment Summit 2007 – I-r A Bazarov, C Mandil, A Konoplyanik, I Voronin, R Shetler-Jones

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FORESTRY PRIORITIES

A year ago a new Forestry Code, intended to ensure favorable terms for the investments influx, entered into force. The state has at last decided to concern itself with changes in regulating logging in order to encourage business to invest not into the export of roundwood, but into deep wood-processing. According to the project of the

Concept of forest industry development designed by MinPromEnergol¹, by 2020 Russia will produce 2-3.5 times more deep wood procession products than now. The authorities are going to achieve this by introducing clear and precise regulations for relations between forest users and the state, the forest resources owners, and also by combining tariff regulations and fiscal preferences for investors.

In summer 2007 the government adopted the decree on priority investment projects. It suggests certain benefits for investment projects worth more than 300 million RF rubles: allocating forest plots without auction, reducing the minimal rent by half and duty-free import of technological equipment. Conversely, increased duties have been imposed on the export of roundwood. By 2009 the export duties on untreated wood will account for 80% of its value, i.e. they will become blocked. Meanwhile, duties for ready-made products from wood will be eliminated. At the regional level investors can also count on tax preferences based on income, land and property.

¹ Ministry of Industry and Energy of the Russian Federation

² Transbaikal

PLENTY OF APPLICATIONS, SLOW SELECTION

The investor has willingly answered the call of the authorities. Last year the number of applicants wishing to include their projects into the list of MinPromEnergol priorities was less than a dozen. Now there are currently about 200 offers under consideration. But the offers mostly come from the European region and only 20 of them are from the Far East and Zabaykalye², given the fact that the situation with deep processing is the most acute there.

The estimated clear-cut size of Siberia and

the Far East, which summarily accounts for 297 million m³, is only being exploited by 16%. Enormous distances, disastrous lack of roads and problems with human resources in the south-eastern part of the country redirect the attention of investors to the Northwestern and Central Federal Districts and partly to Povolzhye³. Within the aforementioned districts, preference is given to districts with developed industry and, therefore, with more or less acceptable infrastructures.

The actions of investors are logical. Profitability of wood-processing is low, but the risks are too high. In the central part of Russia remote tracts are not supplied with infrastructure. There are no roads, making transportation extremely expensive. The workforce is expensive, is often underqualified and is in near-catastrophic short supply. Besides, it is very difficult to get connected to the energy sources; energy tariffs are getting close to world prices. Hopes of getting a plot without tender and building a factory have not come true either. The allocated tract appears to lack suitable forest; it is impossible to reach; additional power lines and gas distribution stations should be built – all of which triple the cost of the project. Besides, in order to get a forest tract you must spend a fortune on forest use, reforestation and safety arrangements (against fires and pests). Dozens of required approvals from various agencies, possibly accompanied by extortions, could be added to this list.

Understanding the long-felt need to increase the customs duties is essential here as they create the conditions for the development of the wood-working industry. It is also necessary to develop additional government support for businesses ready to develop the Russian woodworking industry. The number of preferential duties is too small. Infrastructure development is a burning issue, particularly road construction.

The management of Knyazhpogost Fiberboard's saw-mill, the Woodway Group, which is situated in Komi Republic, is fully aware of the existing issues. In 2008 the Komi Republic committee overseeing priority project investments considered the Knyazhpogost's fiberboard saw-mill's 'Organisation of logging and processing in Komi Republic' as necessary. All in all six priority investment projects were identified and are

³ Economic region, centralized along the Volga river

to be completed in twelve years. According to the Head of the Komi Republic, V. Torlopov, the ultimate goal is to switch to processing instead of the traditional harvesting method.

The realization of the Knyazhpogost Fiberboard's saw-mill project will allow for rebuilding and expanding the existing roundwood harvest and deep processing business; solve the existing staff housing problem by constructing affordable comfortable wooden houses using domestic production, involving the small businesses of the region as much as possible. The small businesses will also be involved in raising the employment rate of the population and providing additional regional budget earnings. The total social sphere investments volume for the investment return period will account for about 350 billion RF rubles, and approximately 40% of total sale proceeds henceforward. The Knyazhpogost Fiberboard's saw-mill needs a one-off investment of 200 billion RF rubles to build up the road to the Meschursky logging area. Five hundred billion RF rubles will be gained as direct taxes.

The serious infrastructure development is an inseparable part of the qualitative and quantitative growth of forestry harvesting. Judging by the experience of Finland and a number of European countries where the state takes all the responsibility for road construction, it can be assumed that this kind of government support could exist in Russia as well. The Russian government could cover at least part of road construction costs, which would be reciprocated a hundredfold afterwards. But will the authorities answer this call?

THE APPLE OF DISCORD

The investor's decisions of doing business in a particular region are based on a self-run monitoring of raw materials, integrated products and labor markets. At the same time the fact that dozens of nearby plants are to be modernized and several dozen are to be built is not to be taken into consideration. According to experts, the raw material is to be the main point of controversy for neighboring plants.

The overestimation of raw material sources was the reason the Ruukki Group left the Kostroma region at the beginning of 2008. The investor planned to



obtain not less than 4.5 billion m³ of timber a year, which is estimated by the Kostroma authorities as 70% of all the region's raw materials. It was admitted that the project was unrealistic.

As for now, the existing timber-processing mills management is afraid that the construction of the Stora Enso pulp-and-paper mill will strongly hit the existing business because of a raw material shortage (the shortage was up to 4.6 billion m³ in 2007).

At first glance the situation with timber resources in the NW Federal region is much better than in the Povolzhye or Central regions. The NW region has the second biggest wood-cutting area volume rate, 107 billion m³, which is cut down on average of 38%. So it creates a positive yet misleading impression; a lot of factors are not being taken into consideration. Since Soviet times there has been extensive logging with practically no re-forestation works. The fact that forest is growing extremely slowly due to severe climatic conditions is not being taken into consideration either. As a result, the total of Archangelsk and the Komi Republic's wood-cutting area volume rate is exceeding the annual growth, according to VNIILM⁴ researchers.

In fact the NW region's wood-cutting area, excluding the Komi Republic, is already a bit short in raw material. Therefore three pulp-and-paper mills and many timber-processing mills in the Arkhangelsk region have already bought roundwood from the Komi and Vologda regions. The mills of the Karelian region are feeling the raw material shortage as well. The Vologda region mills import high-quality plank timber as 10% of the total timber-processing volume. In a recent Leningrad region government meeting it was reported that the forestry industry requires 11 billion m³ of timber annually, with 9 billion m³ self-processed timber. Some of the Leningrad region mills, the Svetogorsk pulp-and-paper and the Svir Timber mills, already gather the deficient timber amount from the Pskov, Novgorod and Karelian regions.

The situation with raw materials in the NW Federal region will become crucial with the new pulp-and-paper, plate and saw mills entering the market. An inter-region collision will be

unavoidable if no simple solution is developed by MinPromEnerg. The Federative unit authorities need to be sure that were they to abandon their own pulp-and-paper mills construction and shift the raw material to the neighbors' projects, the budget negative profit of that unit (which originates from passing the wood-cutting areas to neighbors without auction and at half price) would be amended by the government. The government authorities need to be advised to develop a scheme of subvention orders for those regions who pass the wood-cutting areas to neighboring projects.

UNEXPECTED RESULTS

Sudden changes in government management policy regarding the timber industry have turned the issue. Even though taxes for exporting raw material just started to grow in the middle of last year, raw material export have reduced up to 3% and the export of processed timber has increased up to 12% within the same time frame. After new taxes took effect, the timber export volume moved to Russian markets so that prices for timber began to recede. Increasing the tax rate up to 25% in March had already led to a 20% price decrease. Prices for roundwood have continued to fall an average of 15% in May as well as a 0.93% plate wood production price reduction. The physical volume of raw material timber export in Russia was reduced by 11.5% from January through February 2008.

At the same time, the export of roundwood has been growing. For example, the raw material export in the Chita region has increased up to 40% in the last six months, according to Rosselhoz⁵. The problem with high export tariffs was solved by ingenious Chinese businessmen who opened mills in Russia just near the border, where roundwood is cut from both ends and is then exported as saw timber, not subject to export duties.

GUIDING THE COURSE OF CHANGES

Entrepreneurs and experts agree that the government initiatives are insufficient for a breakthrough in the forest industry. So far only every tenth project submitted from the regions has been added to the priority list by MERT⁶,

but not one of them has yet received real state support. Nevertheless, the mechanism of compiling the list of priority investment projects has been activated and is working. Every forestry region is racing to get their own large scale investment project without looking round at its neighbors.

There are some fears that the rapid investment process, which started before the adoption of the state strategy or the program of forest industry development, threatens to twist or upset the industry. It is necessary to have a clear strategy of industry development based on the competent analysis of the raw material base, which is compatible with the energy strategy of the country and considers domestic and international market production forecasts. This will allow a return to the logical course a flow of changes which swept the industry, coordinate demands for raw materials and human resources, and prevent conflicts between investors.

Last April the general public read the 'Concept of the Forestry Complex Development for the period up to 2020' prepared by RF MinPromEnerg. A strategy based on this concept should be

formulated this summer. However, experts unanimously assess it as premature and unfinished. More importantly, it fails to identify the target of the industry development in principle.

The document does not answer the critical questions: how many, in which regions and what enterprises should be built while taking state interests into account. In which cases and in what way is the state prepared to take part in business projects? What is the best way to correlate the interests of every region that is willing to obtain a priority investment project and get federal budgeting for the infrastructure development?

Foreign capital involvement in the investing process is promising as both the investment and the introduction of the foreign Forest Production Complexes are known for their high level of technology and organization. Only a balanced public sector development strategy can support the interests of external investors.

V. Saikovsky



⁴ VNIILM – All-Russian Scientific Research Institute of Forestry and Mechanization

⁵ Federal Agency for Agriculture

⁶ MERT – Ministry of Economic Development and Trade of the Russian Federation



TWO BILLION FOR STRATEGY

By 2014 the Ilim Group intends to implement the most extensive investment program in the Russian pulp-and-paper industry of the last 25 years. The project, titled Ilim-2014, is unparalleled in the Russian forest products industry in terms of significance and scope.

BECOMING NUMBER ONE

It is becoming increasingly evident that the groundwork of the Russian forestry development shall be laid by large-scale projects. After all the pulp-and-paper industry, which is now in need of upgrade and construction of plants fit to manufacture value-added wood products, has not seen any similar investment projects for the last 20 or 25 years. According to Mr. Paul Herbert, CEO of the Ilim Group, 'Ilim has excellent geographic location of mills, forest resources and a highly-skilled team. And as far as the technological state of the mills is concerned, they used to have very good scale and resources back in the time when they were conceived and constructed. However, just like the rest of the Russian pulp-and-paper mills, they have been under-funded for the last 20 years; some of them became obsolete in process terms. Our mills currently make a good ground for technological upgrade.'

Approval of the Ilim-2014 project by the Group's Board of Directors in late July 2008 was preceded by an in-depth market and investment opportunities analysis. The cornerstone of the

project was laid as early as October 2007, when a joint venture with International Paper was finalized. This resulted in a decision to invest approximately 2 billion US Dollars in Ilim-2014, an unprecedented project in the Russian Pulp-and-Paper sector. The funds will be allocated for the introduction of new value-added products (white papers and corrugated boxes), the construction of new plants and modernization of the existing pulp-and-paper mills in the Arkhangelsk and Irkutsk regions, the improvement of the working and living conditions for Ilim employees, as well as for various environmental projects. Apart from that, Ilim intends to implement projects aimed at improving the Group's management system and organizational structure in accordance with the world's best practices. 'It is a strategic plan which encompasses the Company's action plan for the next 5 to 6 years. It describes our steps towards creating value-added products for the domestic market in rather good detail. By the latter we primarily mean office and commercial printing paper. Along with that we will increase our packaging materials production capacities. Yet another, third, component of the strategic plan implies the expansion of our manufacturing capacities in Siberia,' – says Mr. Herbert.

FOR US AND OUR EASTERN NEIGHBOR

The greater portion of the investments, 975 million US Dollars in 2008-2012, has been earmarked by the Group for the development of its mills in the Irkutsk region, known for its vast potential for forestry sector growth. As part of the project, Ilim plans the optimization of its Ust-Ilimsk production facilities, as well as a substantial expansion and upgrade of the Bratsk mill. According to the program, within just a few years the Bratsk mill will be transformed into a modernized low-cost pulp manufacturer capable of successful competition in the global market for many years to come. Construction of a new

state-of-the-art world-class production line of high quality pulp with a 650,000 tonne capacity will be the major project in this area. 'It is going to be the first pulp mill constructed in Russia in the past 30 years, as well as the most up-to-date softwood pulp production facility in the world,' – Paul Herbert says.

It should also be noted that the new pulp mill will mark only the first stage of the program. Installation of a new paper machine is also among the plans for the future. Reconstruction of the whole mill infrastructure will be performed at the same time, making it possible to turn the facility into an environmentally friendly one. The mill will also be equipped with a new recovery boiler, a bark boiler and a newly-constructed wood yard. The prospects of the Ust-Ilimsk Branch development are closely related to the improvement of its environmental performance indicators, production quality and manufacturing efficiency, application of the advanced logging technologies, and the 'debottlenecking' of the bleached pulp production process. As a result of Ilim-2014 project implementation, bleached softwood and hardwood pulp production output in the Irkutsk region will increase to make up to 1,600,000 tonnes. In addition to that, the Irkutsk region enjoys a rather advantageous location in close proximity to the world's largest market in China. The Group's strengthened presence there is one of the principal goals of the Ilim-2014 project.

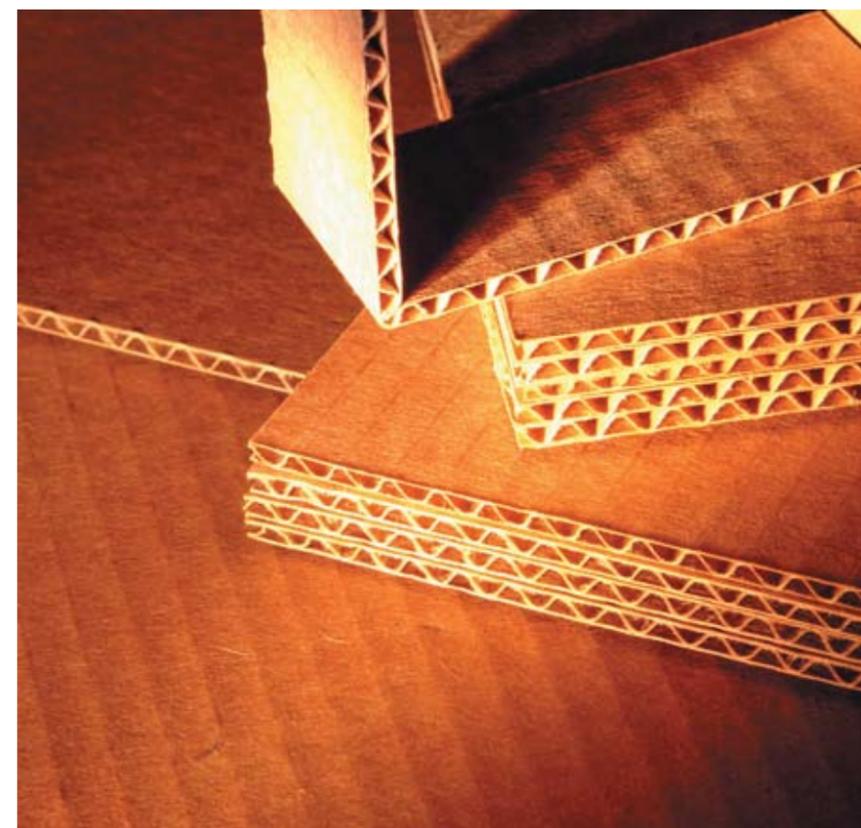
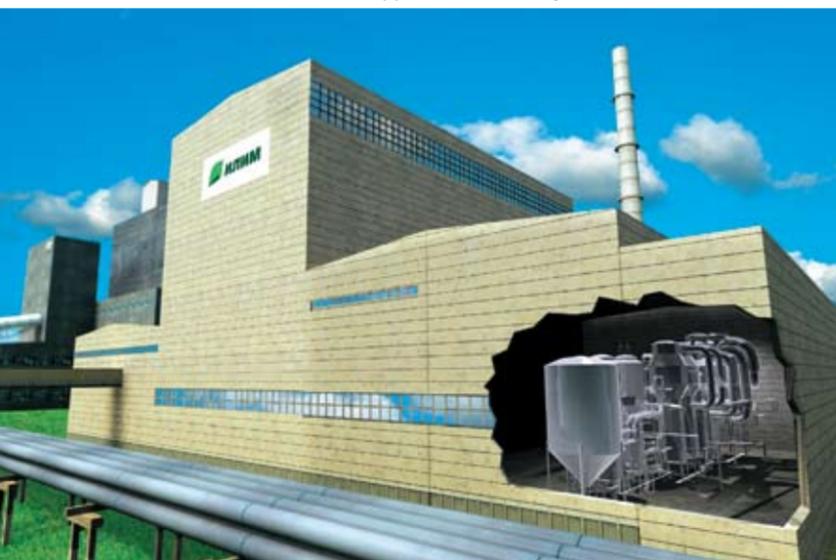
PAPER MACHINES WILL BECOME MORE RELIABLE

The Ilim Group's plans for the Arkhangelsk region include a significant expansion of the facilities for manufacturing corrugated materials and paper. Investments in the Arkhangelsk locations in 2008-2012 will amount to approximately 700 million US Dollars. For example, new cutting-edge equipment for manufacturing end products will be installed in Koryazhma in the next few years, making it possible to satisfy the growing demand for containerboard and fluting expressed by the Russian corrugated box manufacturers, including the Ilim Group's own new corrugated box plants. All products will be intended for the Russian market. Improvements at the mill will include the installation of a new paper machine (PM) with sheeters and a coater, the reconstruction of the three existing PMs, board machines reliability improvement, and the construction of an NSSC pulp plant. Infrastructure development projects

were not left out either, among them is the construction of a new woodworking plant and a bark boiler, the reconstruction of recovery boilers and the causticizing shop, as well as various environmental projects. All this will result in a production increase to 1,150,000 tonnes.

CORRUGATED BOX BUSINESS

The Ilim-2014 project also comprises development of another strategic business of the group – the integrated manufacturing of value-added industrial packaging. Among other things, Ilim-2014 envisions the construction of four corrugated box plants in the European part of Russia with total capacity exceeding 560 million m² per annum. The first of the four, located in Kommunar (the Leningrad region), was already launched by the Company in June 2008. The Group intends to become the leading corrugated box supplier in the future. The key strategic advantage of Ilim's corrugated box business is the availability of own materials, which will ensure uninterrupted materials supply; quality optimization; and design improvement in all production stages. Moreover, the Ilim Group's extensive experience in the Russian market of corrugated materials, and its human and financial resources combined with the global expertise of International Paper lay a solid



foundation for dynamic growth of the Company's corrugated box business. One hundred and sixty million US Dollars will be invested by the Ilim Group into this business in 2008-2012. This will entail an 8-fold increase in the production output of Ilim Gofra Business Unit, which will amount to 560 million m².

FROM FORWARDER TO THE SHORT WOOD TRUCK

The 'forest' component was not left out of the program either. The strategy described in it entails purchasing state-of-the-art logging, road construction and wood transportation equipment, as well as forest road construction. Over 310 million US Dollars will be invested there, allowing for a reduction in the cost of wood and transportation, as well as improvements in labor efficiency and safety of the loggers and truck drivers. Forest roads constructed by Ilim Group will be of immense importance for the regions of the Group's presence, enabling access to many potentially productive and previously inaccessible areas. The Program allows for the modernization of the company's logging processes by using several hundred units of harvesting, trucking, road construction and auxiliary equipment. This allows for over 80% of all timber to be harvested in a highly efficient way. After an international bidding procedure, John Deere was chosen by the Ilim Group to be the supplier of the first batch of logging equipment.

Delivery of the equipment to the Arkhangelsk and Irkutsk regions locations of the company has already started and will continue through 2009.

A contract for the supply of 91 short wood trucks to the Company's logging operations was signed with SISU, the world's leading manufacturer of special-purpose forest machinery. This process will be finished by the end of the current year.

WITH THE ENVIRONMENT IN MIND

As part of the project implementation, the company is also determined to gradually reduce its negative environmental impact. The next six to seven years will see a reduction in hazardous discharges and emissions, as well as in water consumption by the Group's mills. One of the most significant outcomes of the project will be the presumed 20% increase in the efficient use of 1 m³ of wood and a 30% increase in reforestation due to the new technologies. 'Business Plan implementation will help us create a very powerful combination of strong management; cutting-edge equipment; and skilled human resources, enabling us to become stronger, spend less money on logging and improve our efficiency,'- says Mr. Ken Munson, Managing Director of Forest Management and Wood Supply of the Ilim Group. Thus it may be concluded that the implementation of the investment program will allow the Ilim Group to manufacture every fourth sheet of office paper in Russia by 2014. Ilim is fully confident that all the investments and transformations will create a company justly regarded by its customers, employees and shareholders as the best pulp-and-paper company in the world.

*A. Bolmat,
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FUTURE SUPPLY/DEMAND: A PICTURE OF BOREAL CONIFEROUS FIBER

This paper gauges some future scenarios for the availability of boreal coniferous fiber, especially from Russia, and identifies some of the most likely points of discontinuation.

Russian fiber resources represent one fifth of all global forest resources, and are almost three times larger than the forest resources in Canada or the United States. However, they are currently under-utilised, and are likely to remain so in the near future.

While there are 300-400 million m³ of unutilised fiber resources in the annual allowable cut, they are mainly located far from the existing infrastructure or consist of deciduous or coniferous species that are hard to utilise.

The current infrastructure will need serious investments to remain at current levels, and increasing harvest levels will require substantial investments into the infrastructure. In addition, permafrost has been melting, creating additional difficulties for road maintenance and construction.

Russian forests have deteriorated due to harvest and forestry practices in the past. The share of mature, high-quality coniferous species has decreased and the share of lower quality species increased. Shvydenko and Nilsson calculated that the growing stock of mature and overmature coniferous forest stands decreased by 7.7 billion m³ between 1961 and 1993.

There is a strong demand for coniferous species in the future. Calculating demand on a per capita basis, the annual consumption of boreal coniferous fiber will increase from some 400 million m³ in 2005 to approximately 540 million m³ by 2050 with the current consumption of 0.06 m³ per capita. It is possible that the consumption per capita will increase due to rising consumption in the emerging economies

such as China and India. China especially has become a vacuum for raw materials due to high economic growth and a shortage of own resources.

Bioenergy creates a strong demand for all fiber, including valuable coniferous species. It is both a threat and an opportunity for boreal resources; a threat if valuable softwood resources are used for energy purposes, an opportunity if lower quality resources can be utilised enabling full utilisation of forests.

In a world already used to annually increasing consumption, there might be a time in the near future when the boreal fiber consumption per capita will need to decrease unless current resources can be utilised more effectively. Russia plays a decisive role in the future of boreal coniferous fiber.

RUSSIAN OUTLOOK

Russia has a tremendous impact on the supply/demand picture of boreal coniferous wood raw material availability in the future. About 21% of all forest resources, and more importantly, about half of valuable coniferous species, grow in Russia. Traditionally the availability of fiber has been more dependent on supply than demand. Fast economic and population growth in the recent past have changed the picture radically, and demand has been larger than supply for some time now. Between 2000 and 2005, global forest resources disappeared at an annual rate of 7 million hectares (FRA, 2006). Boreal coniferous countries have belonged to the net forest cover increase areas; but future growth in demand could exceed the supply, driving the use of either faster growing species or alternative materials.

Boreal coniferous regions are generally thought to be virtually indestructible. From a biological point of view, boreal forests will grow back within a few hundred years if left to regenerate naturally. However, the share of boreal coniferous forests available for industrial use within a reasonable future timeline is decreasing in Russia.

SUPPLY

Russia has an annual allowable cut of some 635 million m³, and annual cut of 227 million m³. Removals of boreal coniferous species totalled some 76 million m³ from a total of 180 million m³ in 2005 (FAO, Roslesinfor 2008). There are a number of estimations on how the forest resources will develop in the future. Korovin et al. estimated potential removals in 2016 at 269 to 314 million m³.

Boreal forests grow in northern latitudes on relatively poor soil and, therefore, slowly. Growth from seed to mature tree takes 50-150 years, and any area in the boreal zone not yet covered by coniferous species will not yield significant industrial volumes by mid-century.

Net increment was estimated by Tomppo et al. to be somewhat lower in Russia than in other boreal countries. He estimated the Russian increment at 0.84 m³/hectare (over bark), the Swedish increment at 2.86 m³ o.b./hectare, and the Finnish increment at 2.65 m³ o.b./hectare. The net increment in Canada, a country somewhat similar to Russia when it comes to the infrastructure and scope of forest land, was estimated at 1.26 m³ o.b./hectare, or 1.5 times higher than in Russia.

CHALLENGES TO INDUSTRY

As stated earlier, Russia plays a key role in any forecast regarding forest resources. Russia is a vast country with challenging geographical conditions, such as large boggy areas, permafrost which covers most of the country, and high mountainous regions. About 80% of Russian forests are situated in permafrost areas and about 45% in mountainous areas (Shvydenko 2003). Some of the largest unutilised pine areas, comprising an annual allowable cut of some 20 million m³, are located on the boggy region of Khanty-Mansi (Roslesinfor, 2008).

Russia has traditionally relied on winter roads for forest utilisation. During the past few years the winter harvest season has been shortened both from the winter and spring months. Harvest companies have reported as much as a month of harvest season delay in October/November, while the spring thaw has arrived a month too early.

Official statistics are somewhat dragging behind due to the unexpected speed of the changes, but many forest industry companies are battling the shortened harvest period on an annual basis.

There is a large unknown issue involved; global warming has raised the mean temperature in most of the permafrost areas on Russian soil, releasing methane into the atmosphere. Methane is a much stronger greenhouse gas than carbon dioxide, so the consequences, both short and long term, are unknown.

Winter roads are not the only roads to suffer. According to Shvydenko 54,000 km of timber carrying roads in the European part of Russia became unfit for use between 1993 and 1998.

To conclude an already challenging picture for large scale increased forest utilisation, species mix in the Russian forest has been changing rapidly due to the aforementioned challenges in infrastructure. Shvydenko and Nilsson state that while the total growing stock in the Russian forests increased by 3.2 billion m³ between 1961 and 1993, the growing stock of mature and overmature coniferous forest decreased by 7.7 billion m³.

DEMAND

It is not enough to understand the availability of boreal coniferous roundwood in Russia; one must understand future markets, their location, and their likely size. For any forest industry investment there must be a corresponding market income, preferably in the long term.

Boreal coniferous fiber is used in various end uses. Long fibers offer strength in construction purposes and paper pulp, while its relative softness makes it easy to machine. So far it has been relatively inexpensive, and Canada, Sweden and Finland have built strong forest industries based mainly on boreal coniferous fiber. Russia has lately strengthened investments into the forest industry, and its share of global forest

Winter road over ice



Spring thaw





industry production will likely increase from the current 3% (in US Dollar value).

Fast-growing plantations have been increasing their share in global wood consumption, and are likely to do so in the future. However, there will remain a market demand for boreal coniferous fiber.

By far the largest contributor to the increase in demand is the population explosion that is likely to continue up to the middle of the century. According to the most recent United Nations (UN) data, there were 6.5 billion inhabitants on the planet in 2005, with estimated growth projections up to 9 billion by 2050.

Another, equally powerful, contributor is the unprecedented economic growth in fast growing economies.

In 'The Road to 2050,' the International Bank for Reconstruction and Development and the World Bank forecast a future where the world gross domestic product (GDP) would grow from 35 trillion US Dollars in 2000 to 135 trillion US Dollars in 2050. Another good source, Poncet, forecasts that the Chinese GDP in 2050 could represent 22% of the world total at current prices; and that between 2005 and 2050 China and India could experience a 13-fold and a 10-fold increase in GDP, respectively.

While these growth rates seem impossible, they are, in fact, based on rather low basic figures. The initial growth rate for China used in the calculation is 3% for 2005-2010, whereas

the official figure published by the Chinese government was 10.7% for 2006. Changing the starting figures so early in the calculation could result in a strong upward impact.

PER CAPITA DEMAND FORECAST

In an attempt to quantify potential future demand, the average coniferous roundwood consumption per capita in the boreal countries has been calculated between 1965 and 2005 based on the real coniferous roundwood fellings (Faostat 2008) and the real populations of each country (United Nations 2008). Countries with a relatively strong forest industry compared with the population give a high consumption per capita. Below you can observe a diagram which illustrates this research.

The figures for the Russian Federation only start from 1995. Earlier data concerns the Soviet Union and is, therefore, not comparable. Russian consumption has been growing since 1995, but there is still a long way to go before Russia reaches the level of other boreal regions in roundwood consumption per capita.

Finland and Sweden shift in consumption patterns, possibly because they rely heavily on export markets and are thus susceptible to changes in the international market place. Canada has had a relatively steady market in the United States and has thus remained remarkably stable throughout the past 45 years.

While consumption patterns can shift year to year on a country level, they remain quite stable on a global level. When calculated in terms of the whole planet, the consumption of boreal coniferous fiber shifted between 0.04 m³ per capita and 0.06 m³ per capita (mainly between 0.05 and 0.06 m³ per capita) between 1965 and 2005. The global average consumption rose to 0.06 m³ per capita in 1995, and has since remained there mainly due to the economic growth of China and other fast-growing economies.

Using 0.06 m³ consumption per capita, total global consumption of coniferous roundwood would be 540 million m³ in 2050. The difference between 0.05 and 0.06 m³ per capita does not seem very large. However, when multiplied by the expected population in 2050 (just 42 years) the difference is 90 million m³, or more than

current harvests of boreal coniferous species in the Russian Federation.

Boreal coniferous roundwood consumption was about 400 million m³ in 2005. An additional 140 million m³ by 2050 does not seem very challenging when there are still vast, unutilised forest resources in Russia. However, the current climate debate makes a higher future demand growth likelier than a diminishing demand.

Nevertheless it is possible that alternative raw material sources, such as fast-growing plantation species or bamboo, could replace some of the boreal coniferous roundwood consumption. Equally, consumer habits and policies can change.

It does not seem that there will be a lack of demand for boreal fiber in the long term. There is a tendency to overestimate future consumption. In 1993 Nilsson concluded that there would already be a shortage of 300 million m³ of industrial wood by 2010, and that the shortage would increase to 800-900 million m³ by 2020. He also noted that projected shortages are unlikely to occur as countermeasures will be taken in advance.

RUSSIA AND CHINA

The growth in all the fast-growing economies is changing the economic landscape faster than publications can follow. All of them, but especially China, represent an increasingly powerful presence in the world market. As a country with the largest population and an increasing deficit of natural resources, China represents the single largest trading partner both on the export and import markets.

Russia represented some 42% of global roundwood exports in 2005, and China was the main market. While Russia was the largest exporter, China was, and is likely to remain, the largest roundwood importer in the world. According to customs data, China imported some 134 million m³ of fiber in roundwood equivalent in 2005, mostly in recovered paper. Russia was the largest trading partner, representing almost 75% of all roundwood imports, or about 20 million m³. Russia aims at stopping all export of unprocessed timber, and to that end ratified new roundwood export duties that will make any roundwood trade virtually impossible. The full

implementation timetable is somewhat unclear at the moment.

Regarding increasing demand, China is a strong player in the world market. Despite recent economic downturn, there is little likelihood that the demand for any raw material will slow at any time in the near future.

BIOENERGY

Another wild card in the demand scenarios is the potentially explosive increase in bioenergy production and demand. According to Lundmark, it has already become profitable to substitute traditional wood uses with the use of biomass in energy generation. The European Union has set targets to double the share of bioenergy production from 14% in 1997 to 21% in 2010, including the share of bio-fuels growing to 5.75% by 2010 (EU Biomass Action Plan 2005).

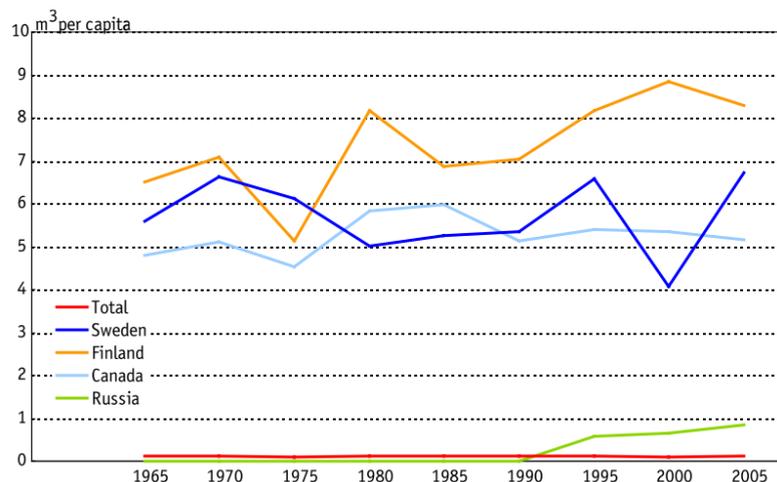
While any motion to fight climate change can only be deemed worthy, the decision has not sufficiently taken the existing fiber base in Europe into consideration.

In order to produce one toe (the equivalent of one ton of oil) of bioenergy, about 5 m³ of wood raw material is needed if the bioenergy is made using only wood as raw material. To meet the European Union targets of about 133 million tonnes, 665 million m³ of wood material is needed. The total industrial roundwood production in Europe is around 400 million m³ and the potential from wood residues (the intended raw material base) is calculated at around 140 million m³. Therefore, there is a strong risk that a large part of wood raw material, even the valuable coniferous species, will be used for energy generation, also in the Russian Federation.

Bioenergy creates business potential as well as providing a continuous, large-scale market for lower-quality wood raw material from the forests. The European Union has a strongly growing demand, and the increasing energy deficit in China is sure to create a bioenergy market east of the Ural Mountains.

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Average boreal coniferous wood consumption per capita, 1969-2005



TOWARDS A PROGRESSIVE FOREST SECTOR IN NORTHWEST RUSSIA

During a single forest rotation, which is roughly one hundred years in the conditions of northern boreal forests, forestry in Russia has been subjected to numerous political, institutional and policy reforms, including the drastic changes related to the formation and dissolution of the Soviet Union.

FOREST POLICY

The Soviet period saw numerous changes in forestry and the forest sector, but since the early 1990's the most characteristic feature of the development of Russian forest policy has been continuous change. The causes for this 'restlessness' can be found in political power relations of the state, mutual relationships of interest groups, and the effects of institutional and techno-economic development. The development of forest policy reflects the general political and economic progress of the nation. More recently, the central government in particular has played an important role in the preparation

of the new Forest Code and general direction of forest policy.

The major goals of the new Forest Code, which came into force in 2007, were: to clarify property rights, tenure and use relations, to improve silviculture and ecology of forests, to streamline forest management and utilization, to increase forest revenue, to decrease roundwood export, and to prevent illegal cutting. Aside from forest legislation, these aims are being promoted through tariff and investment policies. An important obstacle in the preparation of the new Forest Code was the lack of a coherent and clearly formulated forest strategy and policy which



Investment of Metsä-Botnia in the Leningrad region, Svir Timber sawmill
Photo: Metsäliitto Group Databank

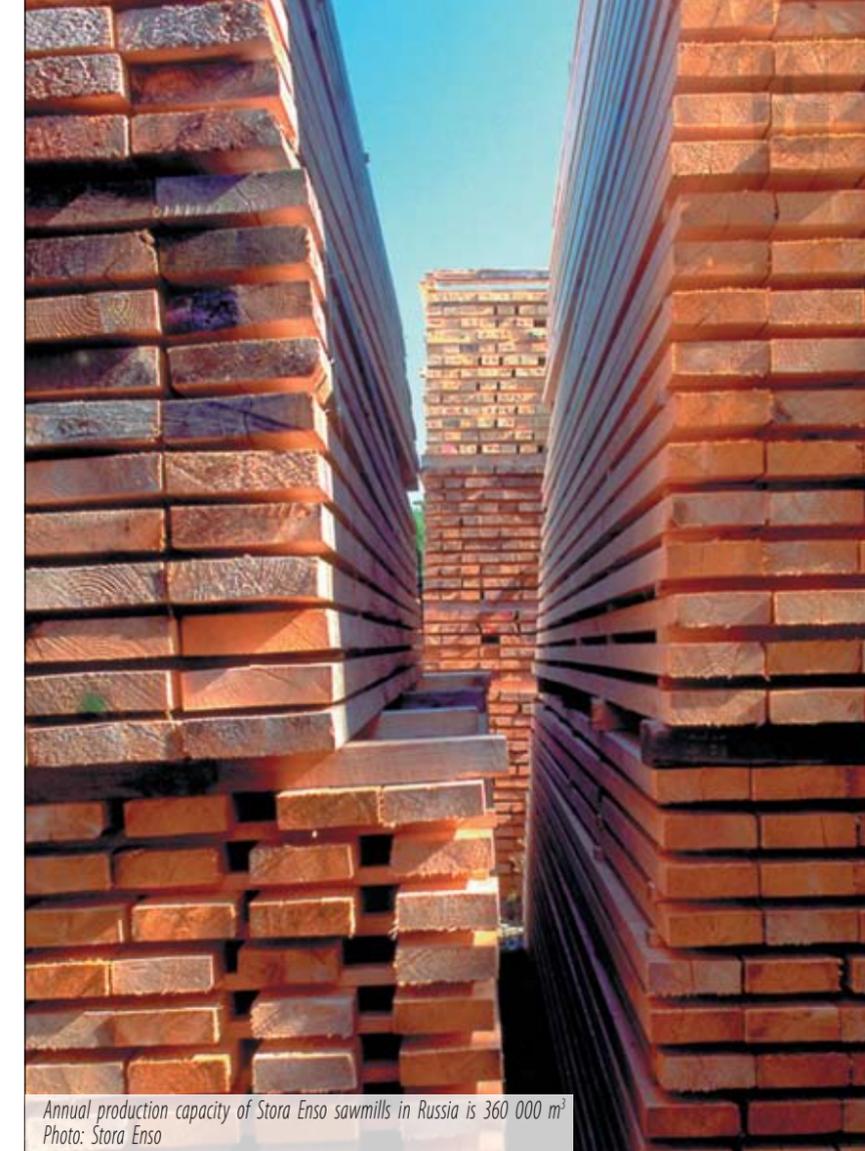
could integrate the goals of forestry with the use of forest resources. No wonder the preparation of the Forest Code took several years, as the preparation process itself emerged as the forum where the policy lines were debated and drawn. It has been noted that contrary to many earlier legislative processes, several drafts of the Code were considered openly and many stakeholders, besides the influential forest industries, had opportunities to present their views and opinions on the contents of each draft.

So far, the implementation and the analysis of the new Code are complicated by the incompleteness of the formation of key institutions in charge of execution. For example, the practices of the jurisdictional relations between central government and the regions (subjects) are still in the formation phase; the regional and local organisations of forest administration are yet to be established; and the new directives planning forest utilization are yet to be employed. A huge impact on the forest sector development depends on the implementation of the Code. Some important legislative decrees are yet to be finalized and there are still some open questions which can influence the practical conditions of forestry.

The economic and social importance of the forest sector varies considerably by region in Russia. Traditionally, its role has been very strong in Northwest Russia, which has also been among the forerunners in the development. The more dependent a region is on its forest resources, the more important it is to secure the sustainability of forestry with good forest regeneration and other silvicultural measures. The silvicultural obligations of the new Code for the long-term leaseholder are necessary improvements. The earlier system of forest leasing carried features of 'ideal privatisation'. In many cases the bulk of benefits from forests became private, but the bulk of costs remained with the state.

In general, the distributional aspects of forest policy are usually less studied and can sometimes be unforeseeable. This may also be the case with roundwood customs tariffs.

As shown below, the immediate losers are numerous and can be found on both sides of the border. In both countries they include people working in wood procurement and transport, and in forest industries in Finland. The most immediate beneficiaries in the short term may



Annual production capacity of Stora Enso sawmills in Russia is 360 000 m³
Photo: Stora Enso

be the Finnish private forest owners, due to the increasing demand for domestic wood and the decreased timber sales tax declared by the Finnish government as an incentive to augment domestic wood supply from private forests.

What certainly can be expected is that the new Forest Code will strengthen the role of regional actors in accordance with the much-needed advances in the implementation of the legislation and related directions, as well as the other improved prerequisites for sustainable forest-based business and investments.

FOREST MANAGEMENT AND WOOD PROCUREMENT

Forestry has been extensive in Northwest Russia. It is characterised by large scale clear felling and natural regeneration, and a small amount of tending of young stands and thinning. More than 80% of final felling is clear cutting. In



the northern regions every tenth, and in the southern regions every fourth, clear felled hectare remains un-regenerated, which is telling about the level of silvicultural work. Tending to young stands has been done to only half of the planned area. Thinning provides only very small amount of the harvested wood volume, as opposed to Finland, where thinning provides about 1/3 of the harvested volume. The area of pine and spruce dominated forests has decreased in Northwest Russia during the last 50 years due to forest management and the preferential cutting of coniferous forests. At the same time, the quality of forests has also decreased; the volume of forests providing better quality timber is smaller than it used to be. Although the total allowable cut has not changed that much, the allowable cut of coniferous species has decreased from 68 to 52 million m³ between 1988 and 2005. Only about half of the allowable cut has been realised during the past years.

Increasing pressures to protect nature have also influenced the allowable cut, which presents more challenges to wood procurement. The official conservation areas cover 6 to 8% of the area

of forest fund in the Republic of Karelia, and in the Vologda and Arkhangelsk regions. In the Republic of Karelia, all types of felling are forbidden in half of the officially protected areas; in the Vologda and Arkhangelsk regions, 40 and 27% of the protected areas, respectively. There are no official restrictions on felling in the so-called old growth forests that non-governmental organisations have suggested become protected. In wood procurement, the location of these forests needs to be taken carefully into account because environmentally responsible forest companies have announced that they will not harvest wood from these forests. In the Arkhangelsk region about 1/3 of the forest fund area is already old growth, covering about 9.5 million hectares. In the Republic of Karelia this area is about 1 million hectares, and in Vologda about 95,000 hectares.

The cut to length method of wood harvesting has become more and more common in Northwest Russia, and thus the share of traditional full tree and tree length methods has decreased. In the Republic of Karelia about 70% of the timber is already harvested with cut to length method.

There are several weaknesses in developing wood harvesting systems in Northwest Russia: weak production infrastructure, low coverage and quality of the road network, low productivity of labour, small turnover of logging companies, lack of professional machinery operators, low quality of training, and increasingly variable costs, among other things. The unit cost in wood harvesting has increased and often exceeds harvesting costs in Finland. The application of cut to length method requires the development of wood transport logistics. The optimisation of planning and the use of logging companies' own transportation fleets would substantially improve the profitability of short wood transport.

The raw wood material of the forest industries in the Northwest Russia comes mainly from its own regions. Northwest Russia has also been a substantial exporter of roundwood. The Arkhangelsk and Vologda regions are the biggest producers of roundwood, and the Arkhangelsk region is clearly the biggest user of roundwood. The Leningrad, Vologda, Novgorod and Pskov regions, as well as the Republic of Karelia, have also oriented towards the export of roundwood. The Arkhangelsk region and the Republic of Komi only export a small amount of roundwood. The Arkhangelsk and Leningrad regions and the Republic of Karelia receive wood from other parts of Northwest Russia. The examination of industrial roundwood flow suggests that about 20% of the industrial roundwood production can be regarded as unreported. The unreported industrial roundwood flows may be explained as unsound business practices. It is necessary to emphasize that the unreported volume does not necessarily mean illegal cutting. The share of unreported roundwood flow is the largest in the Leningrad, Novgorod, and Pskov regions.

Scenario analyses of the future development of forest resources in Northwest Russia indicate that in physical terms, the mature and over mature forests will provide enough wood for the domestic forest industry for the next 50 years regardless of how forests are managed. On the other hand it would be possible to increase the annual net increment by about 15% in 50 years by increasing thinning.

The discrepancy between forest resources and their accessibility has long been regarded as one of the major problems of forest management in Northwest Russia. Due to the low yield of forests in this part of Russia, the long

distance transportation infrastructure (roads and railroads) has a significant impact on the economic accessibility of forest resources. The most extensive road networks can be found in the Republic of Karelia, and in the Leningrad, Novgorod and Pskov regions, where the average road transportation distance is usually less than 100 km to the nearest railway station. In the Arkhangelsk, Murmansk and Vologda regions, and the Republic of Komi the transportation distances are approximately doubled, which substantially increases transportation costs. Due to inadequate road networks and high transportation costs a shortage of roundwood could exist locally.

Analysis of the accessibility of forest resources for the Novgorod region shows that there are substantial differences between the physical and economical accessibility of forest resources. The situation may be very similar in other regions too. Therefore, the optimisation of forest management in areas close to wood-processing industry and the development of road network are essential. Effective methods for forest regeneration, tending of young plantings, thinning, ditching, fertilisation, and final felling, together with an adequate road network, can substantially increase the output of the desired timber assortments, improve profitability of forest growing and timber harvesting, and decrease the area needed for commercial roundwood removals, which would also mean reducing transportation costs and saving untouched forest areas from logging.

EXPORT OF ROUNDWOOD AND SAWWOOD FROM RUSSIA

The exports of the Russian forest sector are dominated by products of low value added. During recent years, the combined shares of roundwood and sawnwood have been over 60% of the total value of forest products' exports. Finland is by far the largest destination of Russian roundwood exports in Europe, and Russian roundwood has become an integral part for Finnish forest industries' wood procurement. Statistical analyses show that before the recent customs tariffs programme for roundwood exports, the prices of Finnish and imported Russian roundwood assortments had come closer to each other, and in the case of spruce sawlogs, the prices closely followed each other. This finding supports the hypothesis of increased competition and market based pricing in the Russian roundwood export trade. However, since the introduction of latest increases in customs tariffs, the prices of



Share of cut-to-length method is over 70% in the Republic of Karelia
Photo: Vasily Katarov



Finnish and imported Russian roundwood have drifted apart, indicating raised prices due to the tariffs and a consequent decline in the volumes traded.

The export of Russian wood products, especially of sawnwood, has increased markedly after the devaluation of the RF rouble in 1998. This has largely tightened competition in Western Europe. For example, in the German sawnwood markets, changes in the prices of Russian, Finnish and Swedish sawnwood have been nearly identical. Although the Russian exporters of sawnwood have been able to win market shares in Western Europe, statistical analyses show that they have been price takers more than market leaders. From the standpoint of Finnish producers, competition in the traditional export markets of wood products will tighten in future, as the Russian wood product enterprises are seeking opportunities to increase their share in Europe. In turn, the rapidly growing Russian markets also provide new export opportunities for Finnish enterprises.

The customs tariffs program for roundwood exports is the most important factor affecting the short term development of roundwood and sawnwood exports from Russia. Roundwood export from Russia and import into Finland will become unprofitable once the new customs tariffs are fully effective. According to scenario calculations, the increase of customs tariffs to 50 Euros per m³ will virtually cease the export of roundwood and increase the supply of roundwood in Russia. This will decrease roundwood prices and reduce wood costs, especially in the sawmilling industry. Although the customs' tariffs increases will aid the development of sawmilling industry in Russia, the total annual volumes of roundwood removals will decrease due to the tariffs, therefore negatively affecting the overall development of forestry.

INVESTMENTS IN THE FOREST INDUSTRY AND THE EFFECTS OF PRODUCTION CHANGES ON REGIONAL ECONOMIES

In the last decade, the growth of Russian industrial production has mainly been based on the export earnings from crude oil and other energy sector products. The value of the Russian rouble has risen close to the level which prevailed before the devaluation in 1998 due to a massive currency

income flow. The exchange rate has decreased due to a currency inflow surplus, which has lowered import costs of investment goods but, on the other hand, deteriorated price competitiveness of the export trade. This development has had a negative impact on calculations of forest industry investments in Russia, especially among foreign investors evaluating export competitiveness. The taxation rules and corporate legislation, rights and responsibilities, including propriety rights, applied to foreign companies in Russia still require specific knowledge and experience from foreign firms and stakeholders. Although some progress has happened, the restrictions applied to international transactions among investment banks are impeding investment financing evaluations in Russia.

Investments in the wood procurement business in Northwest Russia have so far been based on acquisitions of prevailing companies, and the modernisation of machinery and procurement systems. Existing wood procurement companies have a good command of an expertise in the local markets, especially the forest lease markets. Greenfield investments have been the major mode in sawmilling and wood-based panel production. Meeting the old capacity levels frequently had unclear social responsibilities, impeding investment opportunities into old capacity. Implementation of the new Forest Code has partly improved investment conditions. However, the questions related to the responsibilities of the division of costs concerning logistics and the building of infrastructure remain unclear and unsolved. Moreover, the institutional business environment, bureaucracy and uncertainty are clearly impeding factors when considering forest investments in Northwest Russia.

The availability, reliability of delivery and quality of roundwood are important frame conditions to be evaluated by the investor when considering an investment project if the firm investing or company to be consolidated do not directly have the forest lease contracts available. According to a questionnaire study of key Finnish and Russian managers in the roundwood trade, language and cultural issues have not impeded roundwood trade between them. Instead, the importance of personal relationships, time schedules and deadlines were particularly emphasized.

Rapid, large and unexpected changes in operational environment have been typical for Russia. In the future, the national interest to

utilise Russian forests is likely to affect foreign forest investment behaviour as well. The forest industry in Eastern Finland will face considerable structural changes if the custom tariffs program for roundwood exports from Russia becomes fully effective. According to worst-case scenarios, there are only limited possibilities to increase domestic wood procurement, and consequently the unemployment rate in Eastern Finland will increase by nearly 6,000 man-years and the value of production will decrease by up to 2 billion Euros.

This means decreases of nearly 25% in the forest industry employment and of over 20% in the production value in the region. The parallel development in the Republic of Karelia will have similar patterns. This scenario of increased unemployment and decreased value of output is due to the decreasing roundwood removal and export. No industrial reserve capacity of mechanical wood working exists in the Republic of Karelia that could increase domestic

roundwood demand and consequently substitute the decrease of export income. New production capacity investments demand large systematic infrastructure investments into forest roads and other transportation capacity.

This analysis about the development of forest sector in Northwest Russia is based on research cooperation between four Finnish and eight Russian organizations between 2004 and 2007. The aim was to gain deeper understanding on the dynamics and integration of forest sector in Russia. Research belonged to the Russia in Flux research program of the Finnish Academy. While we would like to acknowledge the important contributions of our Russian partners, the authors here are only responsible for the interpretation of the results and some updating comments. More information about the research, publications etc. can be found at www.metla.fi.

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*Felling carried out with a feller-buncher
Photo: Vasily Katarov*



FOREST SURVEY PROCESS WILL BE CONTINUOUS

The new Forest Code altering the existing system of forest relations introduced the term State Forest Survey (SFS). SFS was never performed in Russia. Forest planning was used to find the required forest resources. Now the government, the owner of the forests, considers the survey of the green part of Russia an indispensable measure. The law imposes responsibility for forest survey on the Federal Government.

RECORDS AND CONTROL

Three levels of responsibility have been defined. The first is the federal level providing for state survey of all forests of the Russian Federation. The second is the regional level providing the RF constituent entities with the responsibility for the development of respective forest plans, forestry regulations of forestry areas, maintenance of the state forest register, and organization of forest planning works. The third is the commercial level imposing that the leaseholder should prepare a forest development project for the leased forest area on its behalf and submit an annual declaration.

As per the Forest Code, the forest organization will include six independent services. Three of these services will be performed by the federal center. These include designing forestry areas and forest parks; and designing commercial, protective, reserve forests and specially protected forest areas, as well as design of forest compartments. The remaining four types of forest organization activities are designing forest divisions, their mapping on the ground, forest mensuration and defining measures to ensure security. The protection and reproduction of forests have been transferred to RF constituent entities.

The Federal Forestry Agency is developing the methodology, technique and practical methods of the forest organization. The new systemic structure will provide full and reliable information about the current condition of the forests. This mission is not easy to fulfill in Russian conditions. The major obstacles are the huge territory, the great proportion of inaccessible forests and the lack of money for timely organization of all forest lands of the country. Unfortunately, none of the existing foreign GPS systems may be used for the complicated Russian

environment. The traditional statistical method used in the Scandinavian countries is hardly acceptable for Russia due to infrastructural problems. The enormous territory and absence of roads undermine the ideas of creating a statistical network of permanent trial plots as a basis for the state forest surveyance system.

LAW ABOVE ALL

The RF Forest Code separates the state forest survey from forest organization, and is positioned as an integral part of management in terms of use, security, protection and reproduction of forests. When making this decision, the lawmakers followed recommendations of forestry experts who adhered to the assumption that there is no synergy in the development of forest organization divisions. They think the forest organization system needs reforming, including the revision of content.

The previous Forest Code (1997) just mentioned that forest organization includes forest survey with determination of composition and age structure of forests, and the condition thereof. The definition of the qualitative and quantitative characteristics of forest resources was also included. However, no other regulative provisions for forest survey have been made.

Article № 90 of the new Forest Code provides for the governmental status of forest survey, i.e. the function of the government to be exercised by the government agencies. Secondly, the forest survey is to be performed in all forests, not only those which are located on the forest estate territory.

Detailed regulation of relations in the sphere of state forest survey is performed by the government. In particular, RF Government Resolution No. 407

‘On the performance of State Forest Survey’ dated June 26, 2007 interprets state forest survey as measures taken by the Federal Forestry Agency to inspect the condition and quantitative and qualitative characteristics of forests located within the territory of the federal forest estate and land of other categories. The state survey of forests located in the defense and security lands, which are in federal ownership, should be performed with permit of the federal executive bodies having authority in the area of defense and security.

Summer 2008 saw a reform of the Inspectorate of Forest Survey and Assessment, which used to be burdened with an overly extensive range of tasks. Its functions were separated between two divisions: Inspectorate of security, Protection and Reproduction of Forests and Inspectorate of Forest Use, Survey and Organization. The issue of security, protection and reproduction of forests required special consideration from experts of the Federal Forestry Agency. That is why an independent division was established to handle each of these issues separately.

MAIN GOALS AND TASKS ARE SET

Article № 90 defines the three goals of the state forest survey. The first goal is to timely identify and forecast the development of processes which have a negative impact on forests. This task requires monitoring the conditions of forests, their quantitative and qualitative characteristics, and identification and recording any changes in forest condition due to exposure to negative factors (either natural or other).

The second goal of the state forest survey is to assess the effectiveness of forest security, protection and reproduction measures. For this purpose, the changes in the forest condition which occurred after the said measures were performed should be identified, and measures should be checked for compliance with the forest plan of the RF constituent entity.

The third goal is information support of management in the area of use, security, protection, reproduction of forests, and state forest control and supervision. In order to achieve this, the RF Government demands it be given data about negative impact on forests and violations of forest legislation to the corresponding governmental and local authorities, as well as governmental bodies authorized to monitor and supervise forests. In their turn, the summarized results of the state forest survey should be reported in the form of text, table and graphic (including maps) materials; and submitted annually to the

governmental bodies managing the use, security, protection and reproduction of forests, and also to the governmental control and supervising bodies. The Rules of Preparation of a Forest Plan of an RF Territorial Entity approved by RF Government Resolution of April 24, 2007 No. 246 requires that the results of state forest survey are included into the basis the plan is to be prepared on.

The state forest survey is conducted with the assistance of ground and remote sensing equipment using statistical sampling methods. Remote sensing is applied for timely identification and forecasting processes having a negative effect on forests mainly in intensively used areas.

Ground survey methods are applied to determine the quantitative and qualitative parameters of forest compartments, and to assess the effectiveness of forest guard, protection and reproduction measures.

The RF Government authorized the Federal Forestry Agency to request any necessary information from governmental bodies of the RF constituent entities, local authorities, legal and physical persons which are engaged, as per forest legislation, in forest organization, development of forest plans of the RF constituent entities, forestry regulations and forest development projects.

To fulfill the tasks, a State Forest Survey Center was created, having all 13 forest organization companies as its subsidiaries: North-Western, West-Siberian, East-Siberian, Central, Southern Center, etc. The reorganization procedure was a complicated one; it took time, but for now, it is over. Nevertheless, the scope of work in forest survey is so impressive, that a complete survey cycle is estimated by specialists to take 10-15 years. ‘This period is not so long as it may seem,’— says Vladimir Arkhipov, director of North-Western Subsidiary. ‘In Finland, for instance, a complete state survey cycle is 5-6 years, and now they are in the process of the eighth cycle, the first one being initiated as early as the 20s of the previous century, while the sizes of Finland and Russia are incomparable.’ By the end of 2008, a forest survey program for the next ten years is to be worked out. First, the study will be conducted in economically accessible forests.

Trial plots with an aggregate area of 200,000 hectares are to be established before 2018. The first results of the forest survey, which is already under way, will be available in early 2009.

G. Malikova



TI DEVELOPMENT IN RUSSIA: PROBLEMS OF RAW MATERIAL SUPPLIES

The Russian Federation possesses enough forest resources to increase wood and paper production by several times to satisfy domestic demand and to develop export. However, rates of production growth in the domestic TI have remained low for quite a long time.

The absence of necessary amounts of economically accessible forest resources is one of the reasons for this. The most important condition of investment in the TI, especially for private companies, is the cost of wood at the consumer's yard. This cost cannot exceed maximum permissible value, which determines the competitiveness (acceptable profitability) of timber-processing. Besides the productivity of forest stands, it also substantially depends on:

- regional transport infrastructure,
- technological equilibrium of demand for raw wood materials,
- distribution of TI productions,
- organization of production, including a network of haulage roads.

These factors are subject to state and corporate regulation. Thus far this regulation has not been accomplished effectively enough. The problem of the economic accessibility of forest resources is not developed systematically. In national and regional programs of TI development, forest management plans do not contain economic analysis of forest resources, and measures for effective supply of raw materials for the industry have not been determined either.

During almost the entire period of market reforms, timber production has remained in a critical state: 60% of enterprises were unprofitable, upgrading of key assets was

slow, haulage roads were mostly temporary, and wages were low.

The assignment of responsibilities of forest protection, restoration and management to the TI will affect negatively both the TI and forestry.

Reasons for the crisis are as follows:

- low and unbalanced demand for roundwood (the average price of a homogenized m³ of wood does not cover the actual total wood costs, including building and maintenance of hauling roads and forest reproduction);
- undeveloped transport infrastructure (excessive timber hauling distances and respectively high wood costs, inefficient logistics of the deliveries to the end users);
- absence of effective planning, financing and organizing mechanisms for timber-hauling road construction.

ACCESSIBILITY OF FOREST RESOURCES

The problem of supplying the national economy with forest resources is the difficulty of their accessibility.

Three forms of accessibility should be distinguished:

- transport,
- economic,

- industrial (consumer).

Economic accessibility has a fundamental role; its indicator is profitability (rental cost)¹.

Profitability depends on many factors:

- demand for roundwood,
- technological structure of consumption,
- transport infrastructure,
- necessity for timber-hauling roads to maintain logging,
- cost of constructing timber-hauling roads,
- productivity and species composition of forest stands,
- cutting age,
- intensity of cut,
- form of harvesting (final cutting, intermediate),
- distance from transport transit routes.

Transport accessibility is determined by the transit routes' density.

The transit routes are as follows:

- navigable rivers,
- standard-gauge railroads,
- federal and regional highways.

The criterion of transport accessibility is the distance to transit routes, with which profitability of low quality stands is close to zero.

Industrial accessibility depends on the distribution of TI facilities.

¹ The procedure for determining the rent cost (profitability) of forest resources, and also the theory of demand and price formation for roundwood is presented in the brochure: Pochinkov S. Economic bases of sustainable forest management. – St. Petersburg: PROFIKS, 2007.

The criterion of industrial accessibility is the total cost of wood materials in the consumer's yard. It depends on the prices of final wood products (lumber, plywood, pulp, fiberboards); and the scale of production, combining and production cooperation (use of wastewood). The total cost of raw material is highest in wood cutting and plywood production (it is substantially dependent on diameter, length and grade of logs), and it is lowest in the production of fiberboards.

Pulp-and-paper manufacture, with the retention of high profitability, can compete with sawing of small and medium diameter roundwood. As a result, pulpwood prices on the wood raw materials market, as a rule, are equal to or just a little higher than the total cost of a homogenized m³ of roundwood. Joining regional TI associations of pulp-and-paper producers with the consumption of no less than 40% of logs is a necessary condition for lumber business profitability, high income and sustainable forest management as a whole. This relates particularly to the regions with a high portion of deciduous wood.

Demand for wood raw material is balanced if the assortment (technological) structure of consumption (purchases) corresponds to the merchantability of forest stand structure. Demand is high if saw log prices are, on average, 2-2.5 times higher than analogous prices of pulpwood.

The following are necessary conditions for sustainable forest management:

- logging is profitable,
- wood-processing is competitive according to raw material cost.

TI development and its technological structure depend on industrially accessible wood resources.

The raw material situation is very specific for each region of Russia. There are essential differences not only in forest productivity, species composition of forest stands, degree of development and concentration of profitable plantings, but also in the conditions of transport infrastructure, specific needs for building timber-hauling roads, their cost, etc.



Before making any decisions for the TI development, it is necessary to perform an integrated analysis of wood resources to determine the conditions for their most effective use.

Designing raw material bases is a form of such analysis.

EFFECTIVENESS OF REGIONAL TRANSPORT INFRASTRUCTURE'S DEVELOPMENT

Transport infrastructure is the most important element of the economic development of any territory rich in natural resources. The higher the density of railroad and highways of general use in combination with waterways, the shorter the hauling distance along timber-haulage roads, and the more effective the resources are, the higher their profitability is. If a hauling distance exceeds 30-50 km, forest resources become economically inaccessible. Speaking about sustainable forest management and competitiveness of our forest business as a whole without a serious national program of transport infrastructure development is pointless.

Thickly wooded regions are, as a rule, characterized by a low population density and, respectively, do not have developed transport infrastructure (railroads, motor roads of federal and regional significance). But without this infrastructure it is not possible to use forest resources effectively or to keep log prices at the level which ensures competitiveness of domestic wood-processing. The total distance from cutting areas to the consumers can be reduced if the transport infrastructure is well developed. But the most important thing is that the hauling distance is substantially reduced (it lowers the total cost of logs), the consequence of which is a lower total transportation cost. There is a result: the increase of the consumer prices is held in control, and the profitability of timber cutting remains steady.

The effectiveness of the investments into the building of new transport arteries can be evaluated according to the increase in the profitability of forest resources. Preliminary studies show that concentrating the network of transit routes in regions rich with forest

resources could lead to an increase in the profitability of forest resources by 30-50% (figure 1). The effectiveness of investments in the transport infrastructure development of a region rises if there are other natural resources (including agricultural lands) in its territory in addition to forest.

It is necessary to build new high quality railroads and motor roads, which would penetrate large forested territories, go (where possible) through the remote villages and connect them with the general network of transport arteries of the country. Such roads can be classified as forest highways in contrast to the roads of general use and arterial timber-hauling roads.

TIMBER-HAULING ROAD BUILDING

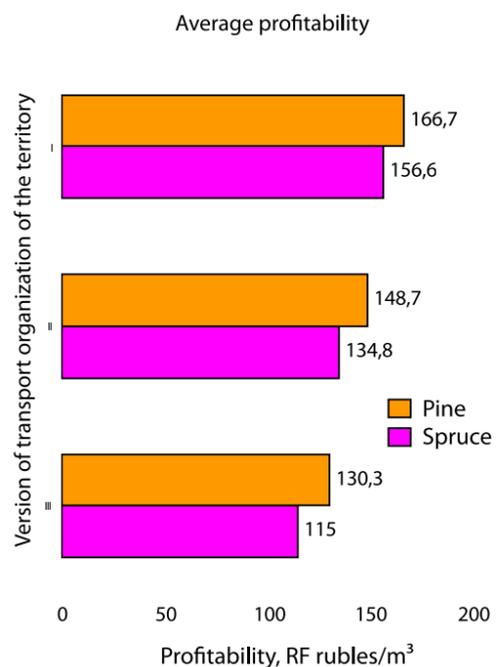
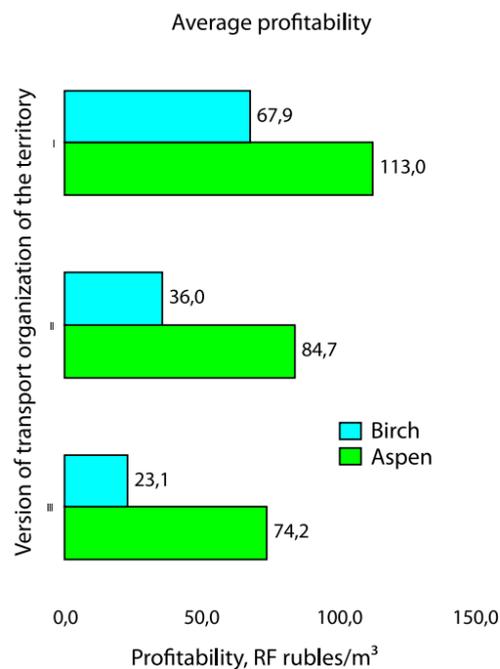
Timber-hauling roads are a technological element of timber production. The timber-hauling road network in any forest range has a three-stage structure: main road – branch road – log spur. The optimum distance between main roads is 30-40 km, 5-6 km between branches, and 0.6-1 km between log spurs. The timber-hauling main road adjoins to the appropriate transport artery of the region.

The first priority (basic) functional purpose of timber-hauling roads is the industrial development of wood forest resources and the transportation of harvested wood (tree lengths, assortments) to the transit transport routes.

With the long-term lease system, building and maintaining timber-hauling roads should be the responsibility of wood harvesting organizations.

A well developed timber-hauling road network for a year-round use is the most important condition of forest reproduction intensification. Without this neither selective cuttings nor thinning would be profitable (or even possible). Therefore, the forest owner must take a part of the forest road building expenses upon itself.

Transportation of wood (assortments, tree lengths) on the timber-hauling roads is several times more expensive than on transit routes of general use. Investments are considerably



Under the current conditions of the Russian TI, this minimization can play a significant role in maintaining the competitiveness of the forest business.

The maximum transportation distance on timber-hauling roads is determined by many factors: the relief of the area, the presence of local rock materials, the type of the timber-hauling road's surface, and the quality of resources.

The maximum transportation distance on timber-hauling roads is an indicator of the optimum density of a region's transit routes, which make it possible to reach a maximum effectiveness of forest resources development.

The maximum transportation distance on timber-hauling roads can be determined by a minimal profitability of forest plantings (stratums). Profitability depends on the quality of plantings (volumes of logs by species, diameters, heights, marketability) and the distance from the transport transit ways. Forest plantings with zero profitability outline the zone of the economic accessibility of wood resources. This zone narrows with a drop in the quality of locality (from I to V).

In proportion to the increased demand for wood and the exhaustion of its reserves in the economically developed regions, the industry is forced to move to a new place, where large forest stands of predominantly mature coniferous forests still exist. As a rule, these forests are located in the sparsely populated, economically weakly developed regions. For their development, first of all, the creation of social and industrial infrastructure which attracts and secures personnel is essential.

Industrial development of new forest territories has two distinctive stages: pioneer and regular.

higher in transit route building too.

There is a certain maximum transportation distance along the timber-hauling roads (the distance between the transit routes), which makes it possible to minimize the total transportation cost of delivery of wood raw material by cutting the distance to the consumer's yard.

Pioneer development is characterized by forced cutting of mature forests, choosing the best stands first. Therefore, compact forest plantings with high volumes of mature coniferous trees located near transport transit routes are cut first. Such pioneer development can last from 20 to 60 years. If it is conducted on the basis of permanent (hard-surfaced)



timber-hauling road construction, it can smoothly pass into a regular stage. The regular development can have several phases. During the first phase, the amounts of harvested wood go down. Forestry, especially forest restoration (the formation of plantings of economically valuable species within shortest possible periods) becomes the predominant form of activity. In the second stage, when the age composition of the forest plantings is equalized and the portion of mature plantings approaches a usual norm, harvesting and all work on forest reproduction are conducted yearly over equal areas, so forestry becomes a highly profitable business. A key element of a regular development is a network of permanent timber-hauling roads which run through the entire forest range. Each planning quarter is accessible by transport at any time of year. As a result, all forms of forestry operations become technologically possible and economically effective.

Pioneer developing of forests in Russia has been conducted, mostly, on temporary timber-hauling roads (winter and dirt roads). Therefore, when the resources are exhausted, forest ranges together with settlements and infrastructure become abandoned. Everything has to be started again (after 50 or more years) when the forests have returned. Recurring pioneer developing is less effective. Forest management is possible only in extensive form. Presently, a steady development and operation of the TI is possible by a gradual transition to the regular development of forest resources.

Due to the long reproductive cycle of forest plantings, it is necessary to move logging operations within the same forest range to a new place every year. With pioneer developing of forest, it is necessary to build timber-hauling roads every year – to lengthen mains and branches, and to lay out new spurs. This makes road building a required element of the technological cycle of forest harvesting along with cutting, skidding and so forth.

Yearly step-by-step building of timber-hauling roads for lengthwise and transverse developing of forest range is essential for keeping volumes of harvested wood at the designed (steady) level.

Industrial capital investments are divided

into two types: investment and compensation. Investments are necessary for production development; the accumulation part of the national income (profit, taxes, rent) serves as a source for it. Compensation type capital investments are necessary to maintain production at a constant level; the expendable part of the national income (amortization assessment as a part of cost) serves as a source for it.

Constructing timber-hauling roads is not an exception. Investments are only necessary for building the first stage; subsequent building must be conducted on the basis of compensating financial means. A specific character is in the fact that the renovation of a timber-hauling road, from the economic point of view, happens not by replacement of previously built sections, but by extending its length. Economical wear of a timber-hauling road occurs as a transfer of its cost into the wood harvested in the territory directly adjacent to it. If the wood resource is cut out of this territory, then the road is considered 'spent'. The sum of yearly amortization assessment is determined by special standards.

Timber-hauling road constructing should be divided into the following types:

- investment of the first kind ensures transport accessibility of the intended into the operation forest range (forest section) and connects it to the region's transit ways;
- investment of the second kind creates a first phase road network in the forest, which ensures reaching designed wood harvesting volumes;
- compensation type investment in the form of extending mains and branches, and building spurs in order to maintain the designed wood harvesting volume.

Economical effectiveness is the main road problem of the TI. There are no less timber-hauling roads built in Russia per unit of area, counting all three steps, than in other countries. But, as a rule, they are temporary. Frequently given comparative data about our substantial lag behind developed countries is accurate only for paved roads with hard (rock) surface. Therefore, the question is not

to build or not to build timber-hauling roads, but what kind of roads to build. Timber-hauling roads paved with rock materials (with well prepared ground base, drainage ditches, well packed sand cushion) work stably during the entire year, and could be used for a long time (with appropriate maintenance and routine repairs – eternally). A permanent timber-hauling road network is a necessary condition for the transition into intensive reproduction of forests. But the cost of such a road is substantially higher than of a dirt or plank road, to say nothing of a winter road.

To determine the economic expediency of building timber-hauling roads paved with rock materials, additional capital investment should be measured against the savings of the current production expenses. These savings would come from more than just transport operations. Good roads would ensure stable work for every section of timber production all year round. This would make it possible to utilize key assets and manpower most effectively, and to raise the standard of organization of the entire timber production as a whole. As a result, wood harvesting cost would be reduced by 20-80%.

Return of investment into the road surfaces depends completely on the length of roads, which belong to the first turn of the transport development of a forest range. This length is minimal for pioneer development of forest ranges where mature and overmature stands prevail. Economically accessible wood reserves which are dense and evenly distributed in the territory of such a forest planting substantially reduces the amount of capital investment. The return of this investment, depending on the cost of 1 km of road, can be as fast as 1-2 years. If a forest range has been continuously developed on the basis of temporary roads only, then the situation is quite different. In order to switch over to permanent roads (without these roads it is not possible to stabilize the work of the raw material branch of the TI and introduce intensive methods of forest reproduction), a large one-time investment will be necessary. The return of the investment into road constructing substantially increases in this case. The need for timber-hauling roads, the basic layout of the timber-hauling road network, the priority of building, the need for investment and compensation types of capital investment, the

size of yearly amortization assessments for building timber-hauling mains and branches, and the owner's and timber merchants' responsibility and corresponding correction of stumpage price must be defined by the forest management plan, which is a part of the long-term lease agreement. Investment building of timber-hauling roads of the first kind is the responsibility of the state, since this would help to develop national resources effectively. If such building, according to the long-term lease agreement, is the responsibility of wood harvesting enterprises, they must be rent-free for the period of the investment's return.

Investment in the building of the second kind and compensation building are the responsibility of the wood harvesting enterprise. The compensation building of timber-hauling roads, as an integral technological stage of timber production, should be paid for by the consumer of wood raw materials. The procedure of including road building costs into the wood harvesting costs depends on who builds the roads.

If it is the owner, the current road building costs, in accordance with the standard, are added to the rental payment for stumpage. If it is a wood harvesting enterprise, the cost goes to the amortization of capital assets. In the first case, building of timber-hauling roads can be centralized, in the second it can only be decentralized. Both of these schemes determine a special organization of road construction with distinct advantages and disadvantages.

If forest planting is being sold at auction to be cut, the owner is obligated to build roads. If a long-term lease is the form of forest management, the wood cutting enterprise is supposed to build roads with budgetary support.

The quality of timber-hauling roads (their capital capacity) is regulated by the demand for wood – by the level of roundwood purchase price. If the price is low, timber merchants are forced to economize on the roads, building the 'cheapest' types (dirt, winter roads). In the most difficult situations, state support (the involvement of budgetary resources) is required.

S. Pochinkov

WOOD-BASED BOARDS AND THEIR FUTURE

Wood-based boards is an indispensable material in different spheres of construction and furniture, so it is high time for an in-depth discussion of the current state of these materials and their prospects.

In 2007 Russia produced 7.2 million m³ of wood-based boards, with the exception of plywood. The real production volume of particle board came to 5,170,000 m³, with a planned production capacity of 6,209,000 m³. Thus it is particle board that is the leading type of production in Russia. In contrast to the global trend, in which OSB and MDF have started competing with particle board, Russia is increasing production capacity of the latter.

A common term 'material' is used in this article to refer to all types of wood-based boards.

The first small particle board workshop began operating in 1955 at the Ufa Wood-Building Plywood Factory. The board density was 400 kg/m³, which did not satisfy durability requirements. Industrial production of chipboard started in 1957 when the first two Bartrev lines of continuous pressing purchased in England were put into operation. From 1959 to 1960 national equipment for 40 lines with a capacity of 25,000 m³/year were produced. But it was only in 1965 that the first line in Podrezkovo (Khimkinsky district, Moscow region) achieved its project capacity.

At that time particle board in Russia was produced by 51 lines. However, use of out-of-date technologies, excessively worn equipment and the overall economical situation in Russia made certain plants unprofitable. Board manufacturing decreased by 2.5 times and

amounted to just 2 million m³ in 1998. At the moment new technological lines continue working. The substantial growth and dynamics of production in Russia during the last few years are reflected in table 1.

Foreign investors allowed for production growth, which was also supported by the availability raw wood, demand of such materials in the domestic market and relatively low manpower costs. Kronospan, Ltd. (Egorjevsk, Moscow region); Egger-Drevproduct, Ltd. (Shuja, Ivanovo region); Kronostar, Ltd. (Sharja, Kostroma region); Pfleiderer, Ltd. (Podberezje, Novgorod region) and others are among the new particle board production powers that have been recently implemented by enterprises. The Kronospan factory, which has a capacity of 990,000 m³/year, is of special interest. Eleven new factories are planned to be built by 2009. About 80% of the product is scheduled to be laminated.

It is anticipated that the particle board industry will be reconstructed in the next few years so that output volumes will exceed consumption volumes, which will allow for export and a decrease or stabilization of particle board prices.

WOOD-BASED BOARDS FOR FURNITURE PRODUCTION. THE STATE OF AFFAIRS

The main material in furniture plant and cabinet

Table 1. Dynamics of chipboard production from 2003 to 2007

Year	2003	2004	2005	2006	2007
Number of production lines	38	38	39	44	45
Projected capacity, thousand m ³	3,868	4,011	4,098	5,275	6,209
Effective capacity, thousand m ³	3,176	3,626	3,930	4,717	5,170

Table 2. Import, export and consumption of particle board in 2007–2008 (plan)

Factor	2007	Forecast for 2008
Particle board import	500	350
Particle board export	400	600
Particle board consumption	5,240	5,450

furniture production is particle board consisting of small formed and dried wooden particles, which have been soaked in special formaldehyde resins and hardened under high pressure and temperature.

The second most popular material in furniture plant is MDF (Medium Density Fiberboards).

Other types of panel products include:

- Fiberboard (made using wet production technology).
- HDF plates (High Density Fiberboards) – special type of fiberboard created as a result of further development of MDF plant. Such boards have smaller thickness but higher density.
- OSB boards (Oriented Strand Boards) – a relatively new type of particle board produced

from special large chips and water-resistant adhesives used mainly in construction.

– Boards bonded with mineral and thermoplastic adhesives and other.

Modern board enterprises are usually organized on the conveyer principle. At the moment, long-established Russian wood-based board plants everywhere are out-of-date. Most of these enterprises produce boards of low quality, and their plant is distinguished by significant material capacity and relatively high manufacturing costs. The modernization of these plants requires such large investments that it is financially easier to buy new equipment. However, the new equipment is expensive so many enterprises choose to purchase used equipment in Europe and partially modernize it (control system and hydraulics in the first place), which allows for an increase in its productivity and operation reliability. A number of European

Table 3. Construction of new particle board factories with an overall capacity of 2,855 thousand m³/year in 2007–2009 (according to VNIIDREV, CJSC data (All-Russian Scientific and Research Institute for the Woodworking Industry))

№	Production
1	Factory with a 990,000 m ³ /year capacity with the Dieffenbacher continuous press in the Egorjevsky district of the Moscow region. The line started operation in January 2007. It was officially put into operation before the end of 2007.
2	Factory with a 250,000 m ³ /year capacity with Dieffenbacher continuous press instead of SP-25 line in Electrogorsk town of the Moscow region.
3	Forming and pressing line with a 210,000 m ³ /year capacity with Dieffenbacher continuous press instead of SP-25 line in Electrogorsk town of the Moscow region. Put into operation in the first quarter of 2008.
4	Factory with a 520,000 m ³ /year capacity with continuous press in Gagarin of the Smolensk region. At the moment the enterprise is being planned; the equipment supply contract has been signed.
5	Particle board line with a 400,000 m ³ /year capacity with Siempelkamp GmbH & Co. continuous press and used equipment from Germany in Moscovsky village of the Krasnodar region. The SP-35 line with an 110,000 m ³ /year capacity will be stopped.
6	Factory with an 80,000 m ³ /year capacity with Chinese equipment in Kansk of the Krasnoyarsk region. Put into operation in the beginning of 2008.
7	Line with a 70,000 m ³ /year capacity of the Altai-Forest company in Larichikha village of the Altai region. Equipment is imported from Romania. Put into operation in the beginning of 2008.
8	Line with a 35,000 m ³ /year capacity based on the one-storied Bison press in Chaadaevka of the Penza region. Put into operation in the third quarter of 2007.
9	Line with a 150,000 m ³ /year capacity in Sovetsky of the Khanty-Mansi autonomous region.
10	Line with a 150,000 m ³ /year capacity in Itatka village of the Tomsk region. Put into operation in the beginning of 2008.
11	Line with a 150,000 m ³ /year capacity based on Italian equipment in Leskom-DSP, JSC (Syktyvkar).

firms are currently establishing their enterprises with the newest equipment, ensuring highly productive quality fiberboard and MDF plant.

The project of establishing a particle board plant with a 150,000 m³/year output relying on used Siempelkamp GmbH & Co. equipment that was dismantled in Portugal and is now being installed in Itatka of the Tomsk region can serve as an example of the first approach. Another example can be the establishing of the MDF plant on the base of an AUMA-30 modernized press being mounted in Kirovo-Chepetsk. An example of the second approach is the construction of the MDF factory with 300,000 m³/year output on the basis of a new Siempelkamp continuous press in Apsheeronsk of the Krasnodar region. VK-Engineering Ltd. (www.vk-eng.ru) is the general contractor for the preproject documentation and technology part of all three projects.

The industry needs to build wood-based board factory with 5,000–30,000 m³/year outputs based on the use of sawmilling wastes and plywood production.

Raw wood for board enterprises can be supplied by almost any industry of the timber industry.

In regions with a developed saw-milling industry, timber mills often have their own workshops for pulp chips plant, producing them by processing waste (slabs, waney and edgings), or by sawing logs on saw-milling machines with crushers. Chip generated as a coproduct at saw-mills with modern saw-milling units and headrigs is also used. Use of woodworking wastes together with machining chips and sawdust in board manufacturing is constantly growing. Their share in the overall volume of raw wood materials is approaching to 30%. If board enterprises use imported loose raw material, it is inevitably cleaned and washed to eliminate mechanical impurities. Dry timber (saw-timber and board cuttings, machining chips, sawdust and dust) is dumped during furniture plant.

Adhesive is one of the most important materials for board manufacturing. Thus resin production

is uniform abroad, and quality requirements are observed more precisely there. As for Russia, there are many different types and modifications of adhesives that are less satisfactory in terms of quality standards.

Russian enterprises mainly use carbamide-formaldehyde and phenol-formaldehyde resins. While most European enterprises observe safety standards for E1 formaldehyde emission, many domestic enterprises have no stability in formaldehyde emission and it can fluctuate from E1 to E3, according to the research of G.I. Tsaryov, Associate Professor of the Department of Wood Chemical Industry and Biologically Active Substances of Forest Engineering Academy: "When you enter a furniture shop and the smell of a specific smell, this is smell of formaldehyde..." Formaldehyde toxicity is the worst problem of wood-based board production.

FIBERBOARD PLANT

Fiberboard industrial production started in the 1920s. It is connected with the name Mason, the American inventor of the mechanism for timber crushing – the so-called Mason gun. In 1936 the USA had already produced 50 million m² of wood-based boards called masonite. In 1930 Swedish inventor Arne Asplund introduced the defibrator, in which the heated wood chips are ground between metal discs. In the USA, the Bower brothers were developing their refiner at the same time as Arne Asplund. They were the first to introduce the most wide spread method of producing a thermo-mechanical fiber from timber, also called the defibrator-method. The defibrator and refiner have a similar principle of operation. The difference is that the refiner has no steam chamber and its disks can rotate in different directions. In 1964 the American Georgia-Pacific Company became the first MDF producer.

It is not the type of product that is associated with the name MDF. It is still in essence a type of fiberboard. This name characterizes the peculiarities of the production method, which, as opposed to the traditional wet process, is called

the dry process. This implies a fiber dampness of no less than 20% at the particle spreading stage. The specifics of this technology allow these boards to be likened to particle boards in terms of the range of the produced thicknesses, and also to introduce new application properties while keeping the fiberboard structure.

Dry process boards include MDF, HDF and T-HDF (Thin High Density Fiberboards). Boards with a thickness of 10–30 mm are most often used as building material. Typical MDF thickness is 16–18 mm; the thickness is in highest demand in furniture manufacturing. HDF thickness is 10–12 mm, and that of T-HDF is 2–8 mm. HDF and T-HDF boards are used for cabinet back panels, drawers and shelves with a length of up to 600 mm. It should also be noted that the technology for making light insulating Fiberboards, LDF (Light Density Fiberboards), has already been developed.

MDF IN THE RF

Currently, the most extensive development of MDF manufacturing is in the Central and Northwest federal regions of Russia. The European part of Russia is still the highest MDF consuming region. There are plans to launch two enterprises in the Tomsk and the Khabarovsk regions in the near future. Their total yearly output will amount to 410,000 m³.

Only two companies in the world, Dieffenbacher and Siempelkamp (both of German origin), offer integral fiberboard lines. Until recently there were three, but when Siempelkamp bought Metso Panelboard company (Metso Paper, Inc.), the market was divided between the two producers. Siempelkamp and Dieffenbacher offer both complete lines and their individual components. Pallmann Maschinenfabrik GmbH & Co. KG of Germany, Andritz AG of Austria and Metso Paper Inc. of Finland are the leading producers of equipment for raw material preparation, including the defibrator sections.

Speaking about Russian plants, only particular units are produced here. For instance, Petrazavodskbummash, CJSC produces hot grinding installations (UGR) and there are several mills in Gatchina (the Leningrad region). UGR can be regarded as an analogue of the defibrator. Fully installed, the L-140 defibrator has a capacity of 2,000 kWh, and the UGR has 800–1,000 kWh. The L-140 defibrator has an

output of 140 tonnes per day, while that of the UGR is 20–30 tonnes per day.

In an attempt to save the wet processing of fiberboard plant there is an endeavor to combine primary and secondary grinding. For example, the L-140 defibrator, in which both grinding types occur, gives such an opportunity. This saves not only energy, but also space.

Speaking of dry and wet processes of production, it is necessary to note that all equipment, from raw material stock to steaming and grinding, is the same. And though theoretically it is possible to organize the dry and wet processes of fiberboard production in one and the same line, in practice plants either specialize on one or the other. Wood fiber (wood pulp) generated during the grinding process is blasted into a cyclone under about 12 atmospheres of pressure. This is the point at which the differences between dry and wet methods begin.

Let us note that adhesive and waterproofing agents can be added to chips just before steaming and grinding for both dry and wet processes. In the wet process, the adhesive is, as a rule, diluted up to 10% concentration and waterproofing agent is emulsified to the same concentration. They are then simultaneously fed into a continuous gluing box (see table 5) with a subsequent impact of aluminum sulphate solution on them.

In actual practice, however, hydrochloric acid is used instead of aluminum sulphate. According to the research of G.I. Tsarev, a minimum of 85% of the introduced additional agents flow away with sewage water (as opposed to only 15% with aluminum sulphate) at industrial production lines. It is necessary to note that aluminum sulphate has been traditionally used in paper production as a precipitator. But during the Soviet era, VNIIDREV developed a technology of hydrochloride acid application which is still used during manufacturing.

The dry process differs from wet in that there is no need for waterproofing agent emulsification. It is introduced as a melt via injectors (see table 5) straight into a pneumatic drying pipe. A binding substance is simultaneously fed into the adhesive via other injectors.

In the wet method, the introduced adhesive volume usually does not exceed 1%, the same goes for the waterproofing agent. During

Table 4. Global output volume of several types of boards in 2005

Boards	Global output volume in 2005
Particle board	71 million m ³
OSB	26.5 million m ³
MDF (with HDF)	41 million m ³

reaches 15-18%, and the waterproofing agent volume comes up to 1-3%. Even so, the final product quality, i.e. cross-breaking strength and water-resistance, is practically identical for both methods. The main characteristics of the adhesive are the ability to resist water impact well; it does not emit formaldehyde, phenol and/or other harmful low-molecular substances; and it gives high durability to finished products in a hard form, i.e. in a finished board. Naturally, material durability depends on the volume of the introduced adhesive. As for ecology, there are no significant differences between phenol- and carbamide-formaldehyde resins. The former are more waterproof, which is why they are applied in wet processing. Taking into account that MDF production uses 15-18 times more adhesive, the negative ecological impact is bigger.

In recent years, the use of melamine-formaldehyde resin has been increasingly growing abroad. In the USSR melamine production was organized only in Armenia.

As stated above, the differences in the production of wet and dry processes begin from the moment when the wood fiber (wood pulp) generated by grinding is blasted into a cyclone under a pressure of about 12 atmospheres.

During the wet process water is fed into the cyclone unit, in which the transporting agent (steam in the given case) is separated from a transported substance, at up to 3-4% fiber concentration in water. This is the required concentration for the second grinding stage. All the following operations are related to organization and control of necessary mass concentration in water; the preparation of water solutions of adhesive and waterproofing agent; introducing them into a fibrous slurry; and the subsequent sedimentation of these additions.

A fiber mattress with a humidity of no more than 75% is generated from a fibrous slurry with concentration of 1-1.8% (achieved by adding water). All is made in the forming (molding) machine. After that, hot pressing takes place and then a thermal treatment stage is required. At the moment when the last of the water has evaporated, the wood fibers draw together and form hydrogen bonds. These bonds and the friction between fibers ensure the specified durability. These bonds also make paper and cardboard possible.

Better quality is achieved if the material is plantd out of softwood, as softwood fibers are longer, thicker and more durable. When softwood is used, it is possible not to use adhesive at all. In the wet processing of hardwood which gives off short fibers, hardening additives are required. Resin water solutions and waterproofing agent emulsion are introduced into the wood pulp, and the fibrous mass is treated by formaldehyde resin water solution. In actual practice, there are no considerable restrictions on the types of wood for raw material. If various types are used, it is necessary to keep the composition the same for no less than one shift.

In the dry process water is not fed into a cyclone. Wood pulp with relative humidity of about 50% (generated after steaming in the cyclone) is fed by ventilators to a pneumatic transport, in which the pulp is dried, then mixed. Dried up to 6-8% humidity and tarred (as a result of adding adhesive and waterproofing agent) the wood pulp is subjected to forming in a special forming machine, and then undergoes hot pressing. This wood pulp contains a lot of adhesive so the finished board is not subjected to heat treatment.

The operation of MDF calibration and polishing is also very important. This operation is necessary in connection with the fact that a tarred fiber mattress with a thickness of about 25 cm containing 12-15% carbamide-formaldehyde resin is fed into a hot press (180-200°C). The speed of hardening is 10-15 seconds at 100°C. This resin in the surface layers is solidified very quickly, while the main mattress mass has not reached the required thickness yet. A further pressure increase in the press provokes the destruction of the solidificated resin in the outside layers. Thus, in a finished board loose layers are formed so the board requires calibration and polishing. These processes do away with about 15% of the finished product. The resulting dust contains fiber adhesive, waterproofing agent and abrasive. What is to be done with this dust? This question faces manufacturers. We could try to burn it; we may put it into production again; but every stated decision has its advantages and disadvantages. At present there is no universal solution for this problem.

We should note one more important particularity of wood-based boards in general and of MDF in particular. Complex wood-based boards production requires the highest power consumption within

Table 5. Process of chipboard and MDF production

Operation	Equipment	Chipboard, produced by wet process method	MDF
Raw materials approach	Disconnecter	+	+
Parting-off	Slasher	+	+
Rossing of raw materials	Barker	-	+
Getting wood chips	Chipper	+	+
Wood chips sorting	Separator	+	+
Metal deleting	Metal detector	+	+
Wood chips washing	Wood chips washer	+	+
Wood chips storing	Wood chips bunker	+	+
Vatting and grinding	Defibrator, UGR, or refining machine	+	+
Secondary grinding	Refining machine	+	-
	Defibrator L-140	-	-
Fibrous mass water dilution	Mass Pool	+	-
Wood particles drying	Pneumatic drying machines	-	+
Dry particles storing	Bunkers	-	+
Preparing of binder and water-repellent	Emulsion agents	+	+
Wooden mass mixing with binder and water-repellent	Continuous gluing box	+	-
	Sprayer	-	+
Sedimentation of inserted admixtures on fiber	Continuous gluing box	+	-
Fibrous carpet formation	Molding machine	-	+
	Molded machine	+	-
Carpet premolding	Cool press	-	+
	Molded machine's press part	+	-
Continuous carpet cutting	'Flying saw'	+	+
	Air or water under pressure	+	-
Fibrous carpet mass control	Weighing machine	-	+
Hot molding of boards	Hot press	+	+
Chilling of boards	Fan cooler	-	+
Hardening of boards	Thermal processing compartments	+	-
Damping of boards	Conditioning compartments or humidifying machines	+	-
Conditioning of boards	Buffer storage area	-	+
Unitized cutting	Round-saw bench or laser cutting	+	+
		+	+
Calibration and polishing boards	Grinding machine	-	+
Sorting of boards	Sorting line	+	+
Packaging	Packaging machine	+	+

the woodworking industry. MDF production is especially heat and power consuming. Therefore, the choice of power equipment is becoming an inclusively important task for the customer. Considering that the connection of a new facility in a number of regions comes to 50,000 RF rubles per kW payments to power industry specialists, it is important to demand that new plants are constructed with their own power centers to generate heat and electric energy. Many pulp-and-paper mills do so. At the same time, it solves problems with production waste utilization.

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The editorial board thanks G.I. Tsarev, Associate Professor of the Department of Wood Chemical Industry and Biologically Active Substances of Forest Engineering Academy for contributions to the preparation and organization of this material.

KEYS TO COMPETITIVE OSB OPERATIONS

A number of companies are planning to build OSB plants in Russia and OSB imports are soaring. It appears to be only a matter of time before the first plant starts up in the country. While interest in the product is strong, it will take a long time before widespread manufacturing expertise is gained. This article will review some of the key operational factors to consider once a company has started a plant and aims to make it operationally competitive. In addition, the article will discuss the systems that are needed to best utilize the operational information.

From the manufacturing perspective there are three fundamental issues that have the most significant impact on the competitiveness of an OSB plant:

1. Optimization of raw material use;
2. Maximization of up-time;
3. Optimization of product mix.

The above-mentioned issues are strongly inter-connected and should all be considered jointly.

Raw materials, i.e. wood, resin and wax, typically account for more than half of the total manufacturing costs. Therefore, it is important to ensure that no raw materials are wasted, but that enough is used to achieve the required panel properties. Optimizing wood use is especially important. Some of the common problems with wood use include:

Lacking wood specifications or inadequate enforcement of these specifications. E.g. controlling the volume of rot allowed and enforcing minimum log diameter specifications at plants with ring debarkers can both significantly impact product recovery.

Inadequate soaking of logs in the ponds resulting in frozen blocks at the flaker. This causes small strand sizes and increases electrical use at the flaker.

Problems at the forming line and uneven panel density. Variation in density can mean that the wood volume is considerably higher than necessary in parts of the panel, while other parts just barely meet the minimum requirements.

Resin use can also be excessive for various reasons. For example, the strand size distribution impacts the resin use, as smaller strands have more surface area relative to the volume of wood than larger strands. A separate turbo

blender can be helpful in optimizing resin use with small strands and fines.

Since OSB manufacturing is a continuous process, many of the input costs accumulate whether or not panels are actually being produced. Downtime is caused both by unexpected breakdowns and planned preventive maintenance time. Good maintenance planning allows plants to minimize breakdowns without spending excessive time and money in preventive maintenance. This requires a well-organized work-order system and good communication between maintenance and operative staff from one shift to the next. At one North American plant the Indufor staff calculated that the revenue increase which could be achieved by increasing the up-time percent from just below the industry average to the level of the top quartile plants exceeded 5 million US Dollars annually. At the same time, unit manufacturing costs would decrease.

Choosing the correct product mix can improve financial performance as well. An optimal product mix allows for high valued products to be produced, while maintaining high up-time levels and an efficient raw material balance.

A simple product mix allows for long continuous production runs and minimal downtime caused by product change-overs. However, the average sales value with this mix is commonly low. A more complex product mix with speciality products can result in higher sales return, even though downtime and raw material use with those products may be less than optimal.

A much longer list of variables impacting the plant performance could be completed, but a key consideration for all these factors is the access to necessary information that allows managers to monitor the plant and make informed decisions. Modern control and information systems are thus very important. Plant managers need to know how well they perform in key areas, and what the level of variation in these areas is over time. The ability to convert the variation in operational factors into financial impacts is also very important.

Understanding the cost and revenue difference between the optimal or peak performance and the minimum performance level during a given time period in various operational factors allows the managers to focus on the most significant





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improvement opportunities first, without wasting time and effort on improving an operational factor that has little impact on the bottom line. Typically, minimizing the variation in the operational factors (i.e. running close to the average at all times) is the first step, after which the plants can start looking for ways to improve the average performance. Also, understanding the total financial impact of a new product on sales revenue, and through productivity (with line speeds and likely downtime) and raw material use on manufacturing costs is very important.

A formalized quality system focuses on improving operational parameters that are financially most significant. However, some of the quality systems are quite cumbersome and time consuming, and may take too much managerial and supervisory time. If a formalized quality system (e.g. Six Sigma) is applied, management must make sure that following a quality system process does not become a goal in itself, but that the focus remains on efficient performance improvement.

In conclusion, operating a competitive OSB plant requires:

1. The identification of the key operational parameters to track;
2. An efficient control and information system that produces practical, easy to use reports on the key parameters on a timely basis;
3. Well-organized analytical tools and/or a quality system that:

a) focuses on improving the most financially significant operational parameters and

b) allows for adequate analysis in order to make the correct management decisions regarding product mixes, downtime, etc.

While some of the key parameters are different for other wood-based panels, much of the same logic can also be applied in MDF, particle board and other process industries.

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GLUED PLYWOOD EXPORT IN 2008: SIGNIFICANT CONCLUSIONS

Russian Forestry Review No.2 (2007) already offered insight into the fast transformations of the Russian plywood sector. The ten-year stably growing export of glued plywood from Russia slowed down in 2007. Last year registered a decrease in export from 1,577,000 m³ in 2006 to 1,493,000 m³ in 2007. Among the reasons is the rise of the domestic market for glued plywood in Russia.

Russian plywood consumption leapt by 28% in 2007 (in 2006, it remained at the 2005 level). Moreover, it was the first time in long term observations that the import of plywood into Russia increased from 46,000 m³ in 2006 to 128,000 m³ in 2007, i.e. by 2.8 times. In the meantime, the load of industrial production facilities in 2007 was 92.4% and the reserve was equivalent to 200,000 m³ (the load of capacities was 97.1% in 2006).

The second crucial reason for export sequestration is the dramatically increased prices of Russian plywood. According to Federal Customs Service estimates, the average price of export plywood in Russia through the year of 2007 was 507 US Dollars per m³ and increased by 43% against the year of 2006 (in 2006, at a price of 354 US Dollars, the growth against the year of 2000 was just 2.3%). The trend of export plywood price growth persisted in 2008.

Thus, during the first eight months of 2007, the average price of export plywood was 462 US Dollars per m³. The period of January - August 2008 saw 32% growth (up to 608 US Dollars).

Respectively, August 2008 registered a 16% increase in the price of glued plywood (VAT excluded); quoted by Russian plants against August 2007, from 474 US Dollars to 552 US Dollars (prices are given in RF Rubles converted into US Dollars). Apart from the high inflation rate, the plywood price increase was influenced by the cost of raw materials, of which plywood production cost approaches a 40–45% share. During 2007, prices of birch input set by logging companies (VAT excluded) soared as high as 72% to reach 39.2 US Dollars per m³. This was accounted for by the reduced timber harvest in accessible forests and on-going export of birch raw materials from Russia.

Unfortunately, heavy export duties for roundwood, introduced on July 1, 2007 as per RF Government Resolution No. 75 (dated February 5, 2007), failed to stop the export of the most valuable of all export assortments – plywood raw materials. In 2007, over 2.8 million m³ of birch raw timber were exported. 1.2 million m³ of this came from the European part of Russia, which manufactures 90% of all Russian plywood and 93% of plywood designed for export. The

Export prices for Russian plywood presented by quarter in 2006, 2007 and 2008, US Dollars

Year	I quarter	II quarter	III quarter	IV quarter	Yearly
2006	339.4	350.7	354.7	374.7	354.2
2007	407.9	469.3	546.5	631.6	505.5
Growth rate	120.2%	133.8%	154.0%	168.6%	142.7%
2008	634.5	602.2	-	-	-
Growth rate against 2007	160.2%	128.3	-	-	-

remaining 1.6 million m³ came from the Asian part of Russia. 1.5 million m³ were exported to China. In 2008, no significant reduction in raw birch export was observed.

Thus, during the second half of 2007 (after the introduction of increased duties), the export of plywood raw timber was 1,250,000 m³; and 1,194,000 m³ in the first half of 2008, considering that the duties were increased by 25% from April 1, 2008.

This process was accompanied by increased import of plywood from China. The market share of Chinese plywood rose from 11,000 m³ in 2006 to 82,000 m³ in 2007, i.e. an increase of 7.5 times (87% of the total increment of plywood import to Russia in 2007). The main reason for this is the lower cost of Chinese plywood. The average yearly price of domestic plywood in 2007 was 478 US Dollars (VAT excluded), while that of imported Chinese plywood was 387 US Dollars (as registered at customs). In general,

Russian export of plywood continues to decrease due to the higher price. Thus, Russia exported 1,042,000 m³ in the first eight months of 2007, and just 904,000 m³ for the same period of the year 2008 (14% less), which led to the export plywood price setback starting in May 2008.

If the negative trend persists, the export of Russian glued plywood in 2008 may shrink by 8–10% in comparison to 2007.

Today, Russia has about 70 companies producing plywood. About 30 of them manufacture from several hundred to several thousand cubic meters per year each. About forty companies have an output exceeding 10,000 m³ of plywood per year. These producers account for almost all export plywood.

V. Peshkov,
Chief of Woodworking Industry Sector
at NIPIEllesprom, JSC

Leading Enterprises Working in the Sphere of Plywood Production

Name	Address	Contacts	Activity	Glued plywood, thousand cubic meters (m ³) per year		
				2005	2006	2007
Arkhangelsk Plywood Plant, CJSC	164900, Arkhangelsk region, Novodvinsk, Frontovyykh Brigad St., 14	Ph.: +7 (8185) 26-35-94, 24-27-70, Fax +7 (8185) 24-32-64, sekretar@arkpf.atnet.ru, info@arkpf.atnet.ru, www.arkpf.ru	Production of plywood and plywood sheets. Furniture manufacture	83.9	89.3	96
Balezinsky Woodworking Mill, Ltd.	427551, Udmurt Republic, Balezino settlement, Shkolnaya St., 1	Ph. +7 (3416) 62-27-49, balez@zpic.ru	Plywood production. Wooden house construction	1.5	2.4	4.7
Belkovsky Timber Plant, JSC	391320, Ryazan region, Gus Zhelezny settlement, Krasnaya St., 2	Ph. +7 (4913) 14-62-16	Plywood production, lumbering and woodworking	0.6	0.6	0.7
Biysk Furniture Plant, CJSC	659316, Altaysky Krai, Biysk, Matrosova St., 30	Ph.: +7 (3854) 23-36-30, 23-59-64, kes@radomebel.ru	Production of plywood and drafts from the bent-glued veneer	1.9	2	2.5
Demidovo Plywood Plant, Ltd.	601201, Vladimir region, Sobinsky district, Lakinsk settlement, Demidovo village	Ph. +7 (4924) 24-12-73, demidovo@demidovo.ru www.demidovo.ru	Production of birch and laminated plywood	44.8	65	66
Dinamo, JSC	606640, Nizhny Novgorod region, Semyonovsky district, Sukhobezvodnoye settlement, Shkolnaya St., 61	Ph. +7 (8316) 23-42-08	Production of glued plywood	0.8	0.7	0.5
Fankom, CJSC	624691, Sverdlovsk region, Alapaevsky district, Verkhnyaya Sinyachikha, Kedrovaya St., 1	Ph. +7 (343) 372-71-10, fankom@fankom.ru, www.fankom.ru	Production of sheet, glued and laminated plywood	118	116.8	175
Fanplast, JSC	191119, St. Petersburg, Dnepropetrovskaya St., 6	Ph.: +7 (812) 764-10-94, 764-25-13, Fax +7 (812) 764-24-86, info@fanplast.ru, fanplast@mail.wplas.net, www.fanplast.sp.ru	Production of glued plywood, wooden boards and panels	4.5	2.7	2.7
Fanplit, JSC (a part of Sveza Group)	156961, Kostroma, Komsomolskaya St., 2	Ph./Fax +7 (4942) 65-05-11, fanplit@sveza.com, www.fanplit.ru	Production of plywood and particle board	193.5*	207.1	215.6



Name	Address	Contacts	Activity	Glued plywood, thousand cubic meters (m³) per year		
				2005	2006	2007
Forex, Ltd.	171900, Tver region, Marsatikhinsky district, Fabrika village	Ph. +7 (4825) 35-15-76, Fax +7 (4825) 35-15-84	Production of glued plywood	6.5	4.8	4
Igrinsky Lespromkhoz, Ltd.	427140, Udmurt Republic, Igra settlement, Pugachyova St., 28A	Ph. +7 (3413) 43-02-34	Plywood production	3.1	3.5	1.4
Investforest, Ltd.	Actual: 425050, Mari El Republic, Zvenigovsky district, Suslonger settlement, Zheleznodorozhnaya St., 90 Postal: 424031, Yoshkar-Ola, PO Box 30	Ph. +7 (8362) 72-64-26, Fax +7 (8362) 73-66-40, investforest_ltd@yola.mail.ru, www.investforest.ru	Production of big-sized moisture-proof birch plywood FK mark and FSF mark	3.8	3.1	10 (15 – forecast to 2008)
Inzensky Woodworking Plant, Ltd.	433030, Ulyanovsk region, Inza, Zavodskaya St., 16	Ph. +7 (8424) 12-64-67, Fax +7 (8424) 12-44-61, info@inzadoz.ru, www.inzadoz.ru	Production of plywood, and bent and flat items for furniture	37.8	38.4	43.7
Ilim Bratsk Woodworking Mill, Ltd.	665718, Irkutsk region, Bratsk, Promploschadka BLPK	Ph. /Fax +7 (3953) 49-69-54	Plywood production	137.8	142	144.1
Kaluga Plywood Plant, CJSC	248002, Kaluga, Krasnopivtseva St., 4	Ph. +7 (4842) 57-41-84, Fax +7 (4842) 57-52-77, kfz@kaluga.ru	Plywood production	16.4	14.1	18.7
Krasny Yakor, CJSC	613152, Kirov region, Slobodskoy, Sovetskaya St., 132	Ph. +7 (8336) 24-40-81, Fax +7 (8336) 24-45-70, fanera@jakor.kirov.ru, www.jakor.kirov.ru	Birch plywood production	85.4	101.7	103.5
Lakhdenpokhsky Plywood Plant Bumex, Ltd.	186730, Republic of Karelia, Lahdenpohya, Zavodskaya St., 24	Ph. +7 (81450) 2-21-09, Fax +7 (81450) 2-24-24, www.bumex.ru	Plywood production. Manufacture of bent-glued furniture	23.8	21.4	13.2
Lesprom SPb, JSC	196644, St. Petersburg, Kolpinsky district, Saporny settlement	Ph. +7 (812) 462-18-28, Fax +7 (812) 462-82-22, mail@balticalywood.ru	Plywood production	35	35	35
Lyubansky Woodworking Mill, JSC	187050, Leningradsky region, Tosnensky district, Lyuban, Seletskoye Highway, 17	Ph. +7 (81361) 7-19-41, ldok@yandex.ru	Plywood production	13	10.2	9
Maksatikhinsky TPM	171900, Tver region, Maksatikha settlement, Novogo St., 71	Ph.: +7 (4825) 32-13-35, 32-15-95, Fax +7 (4825) 32-15-20, info@mlpk.ru, www.mlpk.ru	Production of plywood, sawn timber and lumber	30.4	31	31.2
Manturovsky Plywood Plant, JSC (a part of Sveza Group)	157305, Kostroma region, Manturovo, Matrosova St., 25	Ph. +7 (49446) 2-73-70, mfk@sveza.com	Plywood production. Manufacture of bent-glued articles	-	65.5	57.3
Mebeletta, Ltd.	187342, Leningrad region, Kirovsk, Naberezhnaya St., 1	Ph. +7 (812) 303-95-35, sales@mebeletta.ru, www.mebeletta.ru	Production of bent-glued plywood for furniture manufacturing	-	0.1	0.8
Murom, CJSC	602253, Vladimir region, Murom, Kirova Way, 21	Ph.: +7 (49234) 3-57-20, 3-39-12 sekretar@murom.mit.ru, www.zaomurom.ru	Production of plywood and particle board including laminated	57.7	58.7	72.4
Nelidovsky TPM, JSC	172523, Tver region, Nelidovo, Zavodskaya St., 7	Ph. /Fax +7 (4826) 63-11-05, neldok@rambler.ru, www.nel-dok.tver.ru	Production of plywood, fiberboard and bent-glued articles	37.1	41.1	50.1
Permsky Plywood Plant, Ltd. (a part of Sveza Group)	617005, Perm region, Nytvensky district, Uralsky settlement, Moscovskaya St., 1A	Ph.: +7 (3427) 25-25-70, 29-54-41, Fax +7 (34272) 5-33-62, Info.pfk@sveza.com	Production of plywood and particle board	178	179.5	180
Petroneft-Biysk, CJSC	659328, Altai, Biysk, Spichechny Lane, 5	Ph.: +7 (3854) 24-19-34, 24-25-61, Fax +7 (3854) 24-15-00	Plywood production	15.8	18.4	21.7
Playterra, CJSC	431105, Republic of Mordovia, Zubovo-Polyansky district, Umyot settlement, Leninskaya St., 1	Ph.: +7 (8345) 83-65-99, 83-60-02, 83-65-37, office@plyterra.ru, www.plyterra.ru	Production of rotary-cut veneer and birch plywood	6.6	8.2	14.6
Plywood Production №1, Ltd.	618556, Perm region, Solikamsk, Kommunisticheskaya St., 44	Ph. +7 (3425) 34-71-71	Plywood production	7.4	6.3	9
Povolzhsky Plywood Plant, CJSC	422546, Republic of Tatarstan, Zelenodolsk, Privokzalnaya St., 5	Ph. +7 (8437) 15-75-85, Fax +7 (8437) 15-53-85, vsreda@pfmk.ru	Plywood and furniture manufacture	45.5	46.7	47.5
Rosplit Plywood Mill, Ltd.	606900, Nizhny Novgorod region, Shakhunsky district, Vakhtan settlement, Komarova St., 28B	Ph. +7 (8315) 24-31-08, Fax +7 (8315) 24-36-74, rosplrit@rosplit.ru, www.rosplit.ru	Plywood production	2.9	7.3	8.9
Russky Les, Ltd.	171840, Tver region, Udomlya, Shkolny Lane, 9	Ph. +7 (4825) 55-76-73, russkyles@gmail.com	Plywood production	8	8.8	10

Name	Address	Contacts	Activity	Glued plywood, thousand cubic meters (m³) per year		
				2005	2006	2007
Seletsky Woodworking Mill, JSC	242250, Bryansk region, Trubchevsky district, Belaya Beryozka settlement, Dzerzhinskogo St., 3	Ph. /Fax +7 (4835) 22-49-49, (4832) 35-50-80	Production of glued plywood and particle board	28.8	26.6	25.2
Severtara, JSC	162510, Vologda region, Kaduy settlement, 4	Ph. +7 (8174) 22-18-34, Severtara@yandex.ru, www.severtara.ru	Production of moisture-proof birch, FK mark plywood	17.1	20.7	22
Siberian Timber - Processing Company, Ltd.	644901, Omsk, Beregovoy micro-district, Irtyshskaya St., 1A	Ph. +7 (3812) 98-20-48, Fax: +7 (3812) 98-20-22, 98-20-22, siblesoprom@mail.ru, lpk.planetacentr.ru	Production of plywood FK mark	8	8.9	13.2
Slavmebel, Ltd.	150042, Yaroslavl, Tutayevskoye Highway, 24	Ph. +7 (4852) 55-14-15, slavmebel88@mail.ru	Production of veneer and sheets for glued plywood	5.6	6.1	8.3
Sotameko Plus, Ltd.	162139, Vologda region, Sokol, Mamonova St., 6	Ph. +7 (8173) 33-50-96, Fax +7 (8173) 33-54-89	Plywood production	15.6	24.9	25.2
Sykytyvkar Plywood Mill, Ltd.	167026, Sykytyvkar, Uktinskoye Highway, 66	Ph. +7 (8212) 29-37-00, Fax +7 (8212) 29-38-48, info@plypan.com, www.plypan.com	Production of plywood and furniture board based on wood	163.8	178.2	182
Tavda Plywood Industrial Plant, Ltd.	623955, Sverdlovsk region, Tavda, Kovalya St., 4	Ph. +7 (34360) 3-00-30, Fax +7 (34360) 3-00-27, sbit@tavda-tfk.ru, www.tavda.ru	Production of plywood and particle board	51.5	53.8	54.5
Tyumen Veneer Plant, JSC	625005, Tyumen, Beregovaya St., 109	Ph.: +7 (3452) 63-77-65, 46-44-25, 46-44-23, 46-23-31, 47-77-23, office@tumfk.ru, www.tumfk.ru	Plywood production	43.5	47.7	51.1
Ufimsky Plywood Mill, JSC	450026, Republic of Bashkortostan, Ufa, Ufimskoye Highway, 4	Ph. +7 (3472) 31-24-63, Fax +7 (3472) 33-04-79, sekr@bashles.ru	Production of plywood and sawn timber	81.4	81.8	69.2
Ural Plywood, Ltd.	456440, Chelyabinsk region, Chebarkul, Pervogo Maya St., 20	Ph./Fax +7 (35168) 2-45-27, uralfan@mail.ru, www.uralfan.ru	Plywood production	10	13.7	20
Usolsk Plywood Mill, Ltd.	665451, Irkutsk region, Irkutsky district, Usolye-Sibirskoye, Molotovaya St., 103	Ph. +7 (39543) 4-81-70, Fax +7 (39543) 4-42-50, post@sib-fanera.ru, www.sib-fanera.ru	Plywood production	10.8	11	24
Ust-Izhorsky Plywood Mill, JSC (a part of Sveza Group)	196643, Leningrad region, Pontonny settlement, Fanernaya St., 5	Ph. +7 (812) 462-20-89, Fax +7 (812) 462-20-97, uifk.all@sveza.com	Production of plywood and laminated plywood	99.7	100.7	103.5
Uvadrev Holding, JSC	427265, Udmurt republic, Uva settlement, Zavodskaya St., 1	Ph.: +7 (34130) 4-57-55, 4-53-21, 4-54-00	Production of plywood and particle board	10.6	13.2	16.8
Velikoustyugsky Plywood Plant Novator, JSC (a part of Sveza Group)	162350, Vologodskaya region, Velikoustyugsky district, Novator settlement	Ph. +7 (8173) 87-12-67, Fax +7 (8173) 87-12-02, office@fknovator.ru	Plywood production	81	92.7	94.2
Vlast Truda Plywood Mill, JSC	442150, Penza region, Nizhny Lomov, Shiroky Lane, 31	Ph. +7 (8415) 44-14-40, Fax +7 (8415) 44-47-52, www.vt.sura.ru	Plywood production	54.2	54.3	43.1
Woodworking Mill №13, JSC	140005, Moscow region, Lyubertsy, Kirova St., 20A	Ph. +7 (495) 503-12-33, Fax +7 (495) 559-25-74, Dok_13@mail.ru, www.dok-parket.ru	Plywood production	10.3	5.8	4.9
Yug, JSC	352571, Krasnodarsky krai, Mostovskoy settlement, Zavodskaya St., 1	Ph.: +7 (8619) 25-14-00, 25-12-50, Fax +7 (8619) 25-25-40	Production of plywood, fiberboard, particle board and laminated particle board	4.3	2.9	3.4
Zheshartsky Plywood Mill, CJSC (a part of United Panel Group)	169045, Komi republic, Ust-Vymsky district, Zheshart settlement, Gagarina St., 1	Ph. +7 (8213) 44-71-20, Fax +7 (8213) 44-71-75, www.upgweb.ru	Production of plywood, fiberboard and particle board	158.2	146.1	142
Zavolzhsy Wodworking Plant, CJSC	606520, Nizhny Novgorod region, Zavolzhye, Lesozavodskaya St., 7	Ph. +7 (8316) 13-73-73, fanera@mail.nnov.ru, www.zdoz.innov.ru	Production of plywood; double-glazed windows and balcony blocks	2	1.7	3
Zelenodolsk Plywood Factory, JSC	422541, Republic of Tatarstan, Zelenodolsk, Kooperativnaya St., 1	Ph. +7 (84371) 3-26-52, Fax +7 (84371) 3-26-22, sekr@zfz.ru, www.zfz.ru	Production of birch waterproof plywood	53.4	56.9	59
Zheshartsky Plywood Mill, CJSC (a part of United Panel Group)	169045, Komi republic, Ust-Vymsky district, Zheshart settlement, Gagarina St., 1	Ph. +7 (8213) 44-71-20, Fax +7 (8213) 44-71-75, www.upgweb.ru	Production of plywood, fiberboard and particle board	158.2	146.1	142

* Data was provided in 2007

WOOD PROTECTION TECHNIQUES IN RUSSIA

Tough competition both in the domestic and foreign markets challenges every timber company director to produce safe and high-quality goods. This is the reason why timber companies apply new materials and technologies to their industry in order to capture a bigger share of the market. Let us review the most important innovations in antiseptic and antipyren treatment of wood.

Wood protection has been long studied in Russia. In spite of this, the protective agents imported to Russia in the 1990s (Sadolin, Tikkurila, Ici Paints, Bochemie, Belinka, Caparol, Remmers and Osmo) were mainly produced in Finland, Estonia, Germany, the Czech Republic, Slovakia and Great Britain. The Russian protective agents market started its active development just some 10-15 years ago. Could it mean that the Western manufacturers are always in the lead and Russia is only capable of adopting various know-how to organize its own production of competitive protective agents? One of the reasons for Russia's lagging behind is the slow development of the respective fields of knowledge caused, in particular, by insufficient funding of research projects in production of new chemicals. This is exactly why a large volume of roundwood which was not treated in due time could not be sold. What is the present situation of the Russian wood protective agents market?

There are many Russian companies working in the area of our focus. The range of products is so wide that a customer may be at a loss when choosing a chemical. The greater part of protective agents currently offered in the market is water-based. Analyzing the whole range of water-soluble wood protective agents, it is possible to classify them by composition. However, one should take into account that such a grouping is somewhat narrow since an agent is composed of a mixture or compounds of multiple water-soluble substances. Some experts classify agents by their compositional elements, while others support the idea that no such classification exists and choose to list the elements of the agent's composition according to their percentage.

Water-soluble agents with fluorine, boron and chrome compound bases are actively applied in Russia. A brief description of these compounds is given further.

Fluorine antiseptics are ranked among high-toxic compounds. Their solutions easily penetrate wood without reducing its strength, adhesiveness and dyeing abilities. Fluorine compounds are easily washed out and corrode metals.

Boron agents are more innocuous. Improving fire-retarding quality without dying, they efficiently protect wood from the majority of wood-destroying fungi and insects. A considerable disadvantage of these agents is their high water solubility. The wood treated by boron compound based agents is not used in water, damp soil, under irrigation and atmospheric precipitation.

Chrome antiseptics are listed among non-extractable and hardly extractable protective agents. Interacting with wood, they generate new materials retaining their toxicity and water non-solubility. They are chiefly applied for the protection of exterior constructions or wood articles used in extreme conditions.

Organosoluble and oil antiseptic agents are used mainly on products for outdoor use.

Now it is not only fire-retardants soluble in water or organic dissolvent that can protect wood from fire. The Russian manufacturers are ready to offer complex-action agents, so called bio-fire-retardant compounds.

It is of particular significance that today in Russia there are no unified standards for manufacturers of protective agents. Most enterprises offer their production under their own specifications. This means that prior to buying any wood protective agent a Russian user has to find out the chemical composition from the manufacturer, since some of the chemicals are harmful to our health.

Moreover, manufacturers formulate agents that can be used in extreme conditions because of the Russian climate, e.g. at low temperatures. Here are some examples of that.

Mendeleyev, Ltd. (St. Petersburg) produces agents with a recommended application of no less than 5 °C. Antiseptic, CJSC (St. Petersburg) offers wood protection chemicals that can be used at low temperatures. For this it needs to heat the working solution of agents up to 50-60 °C, but it is not recommended to treat frozen or ice-covered wood. Sanitation (hygienics) of worm-ridden and blasted wood is possible if special technology and appropriate protective agents are used. According to the deputy managing director of Polyus, Ltd., their product range includes organically soluble agents which effectively protect wood in extreme conditions. Wood can be treated with these chemicals at -15 °C. However, Astrey Trade Company and Alkar Ltd. notify their clients that certain agent types should not be used in subzero temperatures because of two reasons: the water base of the agent and the inability of frozen wood to absorb an antiseptic. Expertekologia, Ltd. observes a strict environmental policy and produces only water-based agents that are not allowed to be used in low temperatures.

WOOD PROTECTION IN HOUSE-BUILDING

The application of wood protective chemicals allows for an enlarged field of wood utilization. Nowadays, companies working in wooden house construction are the key consumers of antiseptics, fire-retardants and bio-flameresistant, water-repellent and protective-decorative chemicals. At many large companies dealing with wooden house construction, a wood protection procedure is integrated into the manufacturing process itself. So, naturally, clients may feel confident about the wood protection of their houses.

One should understand that effective wood



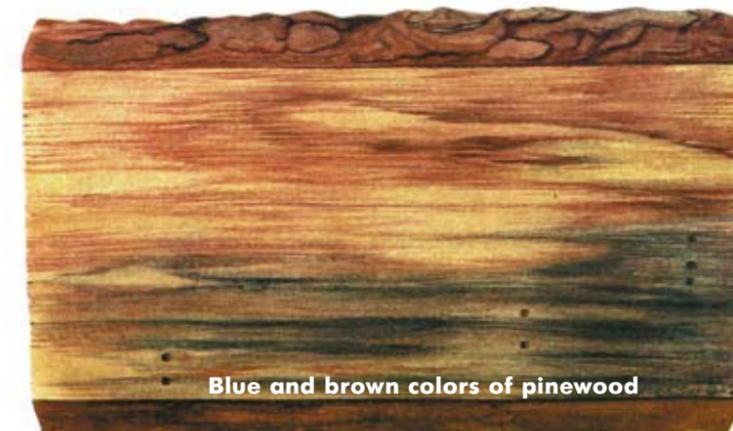
Wood-boring bugs

protection by antiseptics and fire-retardants is ensured by the correct choice of a protective agent, its proper application and exact compliance with the wood humidity conditions. The point is that high humidity affects wooden constructions and, consequently, results in their early breakdown. Softwood species, due to their tarry matter content, are hardly impregnated by protective agents in comparison to hardwood species. Besides, the impregnation intensity of sapwood differs greatly from that of a core. During the protective agent application, it is important to consider the wood humidity level; the ambient temperature should be taken into account.

It is known that moisture is the main reason of wood destruction by pests. If moisture is below 20%, fungi cannot develop. It is impossible for fungi to grow in wood fully saturated with water, since there is a lack of air in such wood. Fungi cease to grow at temperatures below 2 °C and above 40-45 °C.

HOW CAN YOU PROTECT YOUR HOUSE?

In addition to chemical protection, moisture elimination is also an important preventative measure in protecting wooden constructions.



Blue and brown colors of pinewood

Fruit bodies of agaric honey *Armillariella mellea* (Fr.) Karst, and birch dot affect (in a circumferential direction). There is a marmoreal dot caused by the real touchwood *Fomes fomentarius* (Fr.) Kickx.



This can include fast tapping of rainwater or forcing the wood drying process. Adequate selections of waterproofing, heat insulation and electric insulating material also add to the protection of wooden constructions. Expert engineering and construction combined with chemical protection ensure long-life and reliability of a wooden house.

The service environment of protected wood is part and parcel of the climate conditions in the application of protective agents. Most companies trade agents that can be used in all the regions of the Russian Federation. However, the choice of a protective agent should be made individually for each specific case.

In summary, besides sawn and planed wood, roundwood is also subject to proofing in Russia. Moreover, the majority of protective agent manufacturers are not only interested in just enhancement of wood durability, but also in increasing the shelf life of protective agents to enable long-distance transportation. The producers also offer protective chemicals applicable by all known techniques: from surface treatment with a brush or a roller to finishing by dipping in tanks, as well as pressure impregnation in autoclave presses.

NANOTECHNOLOGY IN BRIEF

The 21st century is an age of the development of a new field of science – nanotechnology. Today's production of cement, ceramics, metal alloys, plastics and paintwork materials is carried out with the help of nanotechnologies. Furthermore, the properties of existing materials are modified and new materials are created by means of

nanoproducts. Yet there are practically no such works in Russia. Despite the fact that research in nanotechnologies has been carried out for over fifty years, it is only now that there are real conditions for the application of such technologies to advance Russia's production competitiveness in the world market.

As it is known, it is important to protect any material or product in order to extend its lifetime. This relates to wood as well. In Russia the application of nanomaterials in the chemical protection of wood from biodestruction and fire is in the initial stage. The materials under consideration are mainly used in the West. It is also important to note that active development of nanotechnologies took place in the 1980s. New approaches were applied in chemistry, physics and biology.

For the most part, the Russian market has a scarce range of ecologically safe and efficient protective agents. So, it is a moot point whether the application of such innovations is possible in Russia. A major constraint on nanotechnology development in the country lies in financing at the state level. Besides, work in nanoindustry is generally funded within branch projects. This fact significantly decreases the general efficiency, along with putting the brakes on the development of particular fields of industry. That is why with deficient financial support, it is rather unlikely that small and medium companies, both chemical producing and woodworking, can contribute to the market development of protective agents.

Experts say that the development of nanotechnologies and application of nanomaterials will help Russia to extend its range of ecologically safe manufactured goods.

At present Remmers company offers Russian customers protective agents for interior walls: Bioni Hygienic, an antimicrobial paint; and Bioni Nature, an interior wall coating with nanoparticles of silver.

Bioni Nature can be applied over plasterwork, wallpaper, gypsum plasterboard, concrete, lime-sand brick lining, and also all silicate and dispersion surfaces subject to a static load. The Bioni Hygienic agent is designed for places with strict sanitary requirements.

E. Matyushenkova

EXCLUSIVE WOOD PROTECTION TECHNIQUE

The West is actively developing thermal wood treatment methods that have a number of advantages in comparison with chemical protection, since a generated material contains no substances harmful to human health. Additionally, the application of such a method results in added improvement of wood quality, extending its field of use.

A scientific principle of thermal treatment was already being studied in Germany and the USA in the 1930-40s. New research work was implemented in the 1990s in Finland, France, Germany and the Netherlands.

A general principle of the currently existing technologies (Thermowood, West Wood, etc.) is the high-temperature treatment of wood (160-240°C) for 12-24 hours. Mediums for thermal treatment can be saturated or oversaturated steam, air, nitrogen, and various types of oil (linseed, colza and tall oil).

The quality of ready thermally treated wood directly depends on the time and temperature of the treatment. Treated wood is better at resisting rot. Its hydrophobia and biostability are improved. Still, thermal wood treatment has its shortcomings too. They include low strength, durability and elasticity of the output material. Such products cannot be used buried underground or sunken into water. Some of the techniques are not ecologically safe since aldehydes and acids (formic, acetic, propionic acids, etc.) escape from the wood surface at 190-200°C.

In comparison to untreated wood, the stability of a glued connections is 20-30% less during shearing, tension and bending in a notched area of a glued connection.

The St. Petersburg State Forest-Technical Academy in the name of S. Kirov jointly with Technopark LTA, CJSC developed a technology of wood thermal treatment in a modified tall oil medium. Tall oil is a byproduct of sulfate pulp production. This technology is based on a chemical interference effect of a modifying tall oil agent with wood complex components which was discovered by Assistant Professor G.I. Tsaryov. The effect leads to an increased resistance of water action and compensates for wood strength loss during thermal treatment.



Tall oil – required tool for wood protection from moisture

Such a treatment technique, simultaneously with deep conservation, ensures surface protection of wood.

The reduction effect of evolved volatile matters is connected to the reaction from the chemical interference of tall oil with wood complex components. It has been shown that wood thermal treatment in a modified tall oil medium halves the volatile matters evolving during this procedure.

At present there is a pilot plant manufactured and designed for research. It includes an impregnation bath and a subsequent thermal treatment chamber with forced air circulation. The analysis carried out with the help of this plant enables the setting of valid wood impregnation and thermal treatment modes.

Moreover, this technology can be applied to laminated sized materials, including construction plywood. Its wide application guarantees further analysis of this area of study.

*A. Chubov, G. Tsaryov, E. Matyushenkova,
The St. Petersburg State Forest-Technical Academy
in the name of S. Kirov*



Aesthetic characteristics of the treated plywood are visible to the naked eye

HOW TO CHOOSE EDGE BANDERS IN RUSSIA

The demand for furniture per head is today 15 times less than in Europe. However, by the year 2010 the increase in the amount of input housing should grow twice or even greater than current levels. Of course, this will lead to an increase in furniture manufacturing. It can be clearly seen that it will be impossible to cover the deficit using only imported goods. That is why it is very important to open new and to upgrade existing furniture manufacturing organizations inside the country. Russia has enough resources to meet this purpose. It is quite important to consider things such as quality, manufacturing flexibility and providing a good assortment line when building new factories and upgrading existing ones. Today's customers are interested not only in low priced products, but also in a good selection. To attract customers both progressive technologies and high quality equipment should be used.

The majority of furniture in our country is produced from board materials such as chipboard and medium density fiberboard (MDF). This kind of material has its own specific features. One of them is that it is quite important to band the entire surface. The side banding of the long-scale boards is usually done by vast furniture manufacturing factories, or by the chipboard and MDF producers. This surface is easy to produce in the manufacturing process, and we receive a wide variety of different colors and textures after the banding process in which the materials like layers, veneer and plastic materials are used. The board pattern cutting process is always followed by the edge banding process.

Edgebanders are commonly used for this. With their help the lineal and the curvilinear edges of furniture boards and blank parts are banded with strip and synthetic coiled material. Modern edgebanders possess a very high degree of automation that offers ease of use, increases quality and makes them safe to work with.

The main function of an edgebander is to fasten the banding to the panel edge of the work material (chipboard, MDF and others) with glue. Banding can be of different thickness and material types. It can be roll material (about 3 mm), which is a piece of paper saturated with

melamine resin, polyvinyl chloride, PVC or strip material that is a veneer sheet; or a solid wood strip (about 20-25 mm). Today we can use an edge made of acryl or aluminum. Most of machines that are currently being used on the Russian market can work with melamine, polyvinyl chloride, veneer sheet and solid wood strip.

Many Russian furniture manufacturers started their work with buying a small machine of a medium power; later they purchased a second one, and so on. As a result, they had a wide range of equipment on which many people have worked. Acquiring a productive machine at the very beginning allowed the factory owners to save not only shop floor space, but also to reduce the salaries of the workers. It is a well known fact that around 150 employees work in factories that process about 3,500 parts (about 800 body structures) per shift. At the same time in the medium-scale European factories that process about 5,000 pieces, not more than 70 workers are needed. Reliable and highly productive equipment is necessary to produce inexpensive, high-quality furniture.

Russian entrepreneurs are becoming more and more interested in such expensive, complex equipment, which requires a high level of qualification to work with. That is why in many cities all over

Russia (including St. Petersburg, Moscow, Rostov-on-Don and Krasnodar), large-scale European enterprises open their representative offices with a full service staff. For example, a field engineer is responsible for machine mounting, sales and after sales service. It is clear that the producers of such complicated equipment should take service maintenance seriously.

However, it is not easy or cheap, even for a large-holding company, to place a full service staff in every Russian city. That is why many companies open their training centers or cooperate with the educational institutions of the country and take an active role in baseline and advanced training of the experts who work with edge banding equipment. The first of such contracts was signed between St. Petersburg State Forest-Technical Academy and a German group of companies that provided the academy with machines, computers and also video materials about modern technologies.

Programmers also made a contribution to the service of the individual enthusiasts. Today all machining centers have not only a default computer program, but also special programs for every single machine. They differ so much that every factory can make singular, necessary machine settings and start them with any configuration.

All of this shows us once again that the human factor is very important in this field of activity. While using edgebanders (or any other kind of equipment), emergencies and near – miss incidents are possible. And it is quite important to say that, according to statistics, the main reasons such emergency situations in Russia are the following:

- Ill-equipped and careless staff
- Insufficient control of the cutting tool conditions. High-quality mill operation used for surplus pieces removal has a significant influence on the quality of the end product. The same factor affects the front and back banding edges of a turning mill
- Incorrectly selected aspiration system (chip scrap and dust removal). As a result, we see the ineffective chips' removal from such machines
- False expectations of a purchased machine that are the result of unfair behavior of shop

assistants, who deliberately overestimate the product. A purchased machine has its own production time average that can produce a certain product amount. If the requirements are too high, the machine faces an accelerated depreciation of separate units, which happens because of critical machine stress. In Russia we very often see situations where enterprises or factories ramp up the producing operations volume. Because of the many production issues there is no time for proper staff training, to ensure that machine maintenance is done on time or to monitor the professional accuracy of the operators.

The personnel question is one of the most difficult in the Russian furniture industry. To find a professional who is well qualified and knowledgeable about modern machines is quite difficult for an HR manager. Anatoly Shtembah is a commercial manager of Faeton, Ltd., a company that is an official dealer of many German large-scale edgebanders producers in Russia. He said his company faced a real problem in finding such a machine maintenance technician. At the same time the company supplied this type of equipment to St. Petersburg and its regional furniture factories.

Day after day the equipment of the furniture industry becomes more and more complicated as more and more machine functions and possibilities appear. The targets for a professional who deals with such a machine have also become more complicated. It is clear that only a person with a higher education should have an opportunity to work on such a machine.

However, in Russia only few institutes train such professionals. Where is a director to find his future employees? In Russia it is not uncommon for directors of furniture manufacturing companies to go to such institutions and ask the teaching staff to recommend a candidate, i.e. their future employee.

Sometimes a company signs a contract with a specific institute and pays the whole sum for the education of a specific student. After the student graduates, they work for this company. Take, for example, St. Petersburg State Forest-Technical Academy. This institute of higher education signed a contract with a dealer that supplies equipment from Germany. The teachers themselves should know all the details about such equipment to teach the students to work





on it. Every 5 years the teaching staff of this academy goes to advanced training.

This academy also invites executive staff from a certain bander manufacturing company to conduct lectures and seminars for the students.

According to different sources of data, there are about 10,000 furniture enterprises situated in 77 regions of Russia. The majority of these produce cabinet furniture use banding (usually laminated) particle board.

This means that edgebanders will remain the king of equipment for a long time. This determines not only the quality of the goods, but also the productivity of a factory.

The edge banding market is developing very rapidly in the Russian Federation. This is proved by the fact that new improved rim materials appear every year. However, not all Russian furniture factories perform the banding of the back parts of the wardrobes since they face the wall and are not seen by the consumers. Such cases are not so frequent nowadays because the edge banding markets have reached higher levels in both the manufacturing process and the appearance of new materials.

Many Russian companies have not enough financing for expensive and well-equipped plants made by well-known European firms. That is the reason why they buy something that is basic and less expensive. There are still many companies in Russia which use the manual feed edgebander as the main equipment. This kind of machine, invented in 1963 by the Italian company Fravol, was made for edge banding of the nonrectangular panel parts and became the prototype for a series of later analogues. All these machines are based on the same functioning principle; the only difference to be found is in their constructions.

Nowadays there are edgebanders with a feedrate of almost 120 meters per minute. Their processing components, which are controlled by a computer, perform all the necessary work automatically depending on the thickness of the pasted banding, size of the parts, and other defined parameters of the entire process. This allows for the reconfiguration of the machine in such a way that it can process different parts one after another without any stops.

Unfortunately, the price of such equipment is around 1 million Euros, and the majority of Russian furniture manufacturers cannot afford it. Another issue is that the majority of top managers and specialists of the furniture factories do not have the whole information about types of existing edge banding machinery or how its price is calculated depending on its features. The fact is that a serious mistake can be made if the final decision depends only on the price in the advertisement and doesn't include all the features of the machine. Apparently there is a real reason that every manufacturer has its own machinery sets which differ by the components performance and target purposes, though they seem to look practically identical according to the photos in the advert. This is why it is quite a common situation when the wrong equipment is bought and the furniture manufacturer has to either sell the machine (at a cheaper price of course) or to use it in an inappropriate manner. The situation keeps getting worse because there is no clear edge banding machine classification system to supply information about their types and functions. For this reason in this article we have developed a summary table of the recommended equipment for the manufacturers with different production tasks. This table is based on the opinion of a variety of Russian professionals, including the professors of the large industrial universities.

The machines in the table are grouped by classes and productive capacity. The lower the row is in the table, the higher the class of the machine is; the productivity increases from left to right. For example, the high class office furniture manufacturers should pay attention to the production of the Ima company (Combima and Novimat series), the Homag company (KAL, KF and KFL series), the OTT company (Twister and Profimatic series), the Holz-Her company (Contrig series), and the BRANDT company (700-900 machinery series).

Of course, to correctly reach a decision, the production managers need to analyze the entire production which is performed by the manufacturing technicians. This is a difficult task. Information about the entire manufacturing production process, the equipment used and end production needs to be gathered to accomplish it.

J. Troskot

Recommended banding edge machinery equipment depending on the production targets and the factory scale

	Small production. Single shift periodic processing. Feedrate – up to 12 meters per minute	Medium production. Single shift. Feedrate – 12–18 meters per minute	Large production. Triple shift 24-hour workload. Feedrate – more than 18 meters per minute
Medium performance, small service life period of the machine (target group is especially oriented towards low cost)	Griggio (GB 60/10, GBC 92), Italy Fravol (VSB, A16, Smart S1-S3), Italy Tecnoma (KT, NT), Italy Filato (230), Italy (made in China) Sietro , China Casadei (KC 50), Italy Paolini (B3), Italy Rautek (WT-91 MFS-503, WT-91M MFS-503), China Cehisa (COMPACT 4.2), Spain	Busellato (Flexa 107), Italy Tecnoma (XT), Italy Filato (330, 430, 530), Italy (made in China) Italmac (MIRA 4), China Rautec (WT4/3 MDZ515B), China Fravol (Rapid RX 1 – Rx 3), Italy	Italmac (MIRA 4), China
Fine performance, reliable and good quality equipment (alternating between quality and price)	Homag Brandt (KDN, KDF), Germany (made in Slovakia) Holz-Her (Uno 1302), Austria Griggio (GB 2-8, GB 4/8-6/15), Italy Paolini (B10), Italy Cehisa (Rapid EP6), Spain Filato (230), Italy (made in China) Vitap (BC-91), Italy Italmac (MARGO-T CE) Italy Italmac (EB-91A), China Fravol (Smart S4-S8), Italy Hebrock (2000 series), Germany	Homag Brandt (KDN, KDF), Germany (made in Slovakia) Holz-Her (UNO 1304, 1307), Austria Biesse (Akron 600, 800), Italy Cehisa (SISTEM 4-5P series), Spain S.C.M (Olympic), Italy Ima (Advantage 60,70), Germany Griggio (GB 4-8, GB 5-8, GB 5-15), Italy Busellato (Flexa 207), Italy Filato (330, 430, 530), Italy (made in China) Italmac (MIRA 6, MIRA 6 CE), China Fravol (Rapid RX 4 – Rx 8), Italy	Biesse (Stream line), Italy S.C.M. , Italy Ima (Novimat), Germany Griggio (GB/R), Italy Busellato (Flexa 207, 300), Italy Filato (430U, 530U, 630), Italy (made in China) Italmac (MIRA 6, MIRA 6 CE), China Cehisa (SISTEM 7-9 P), Spain
Very well made, reliable and long-life equipment (quality is the top priority for the target group)	Biesse (Akron 400, SINGLE 89 N), Italy Homag Brandt (KDN, KDF), Germany (made in Slovakia) Cehisa (Rapid EP 7-9 series), Spain Hebrock (2000, 3000 series), Germany (triple-shift workload is available)	Homag Brandt (KDN, KDF), Germany (made in Slovakia) Biesse (Akron 425 R, 440 A X), Italy Ima (Advantage700), Germany OTT (Kantomat, Tornado, Shark, Profimatic, Twister), Austria Holz-Her (Sprint), Austria IDM (Level HD), Italy Cehisa (300 series), Spain	Biesse (Akron 850, 655, 650), Italy Ima (Combima, Novimat concept), Germany OTT (Twister, Profimatic), Austria Homag (KAL, KF, KFL), Germany IDM (Evolution TWO), Italy Holz-Her (Contriga), Austria Cehisa (400 series), Spain

AN ALTERNATIVE HAS BECOME NECESSARY: THE RUSSIAN MARKET OF BIOFUEL BOILERS

Around half of felled timber in the world is used for preparing food as fuel. In developing countries, up to 90% of raw wood is used for these purposes. Wood has always been a source of heat for the majority of the planet. In the process of the mass use of such energy sources as gas and oil, humanity has increasingly abandoned biofuel as a serious energy resource. However, the increasing growth of consumption, the gradual exhaustion of oil and gas fields, the rising price of traditional energy resources, and also ecological problems, cause increasing concern in the international community, and force humanity to return to renewable sources of heat and energy.

According to one of the leading world manufacturers of biofuel boiler equipment (the company Polytechnik GmbH, which has over 40 years of experience of working on this market), the demand for biofuel equipment has increased by 10 times over the last 10 years. That is to say, the market clearly surpasses the general GDP growth in European countries.

And although there is no precise data about how the sale of this equipment has increased in Russia, there is every reason to assume that Russia is also part of the international process, and the percentage of biofuel boilers is constantly increasing.

Important factors which will influence the further development of the Russian market of biofuel boilers include:

- The further growth of the Russian economy as a whole, which will cause an increase in consumption of wood products. The source of raw material for biofuel boilers is waste from lumber and woodworking; so together with the growth of the woodworking industry, volumes of available biofuel will also increase, which is in itself a critically important factor for the development of the market in this sphere.
- As there is development of infrastructure, road construction and an increase in the volume of cars and forestry equipment, the

utilization of Russia's colossal tree felling potential will increase. Allowable annual felling in Russia as a whole is currently 537 million m³, of which only 22% is felled.

- Russia's entry into the WTO means that prices for energy resources must be adjusted in the near future to match prices abroad. If the difference in gas prices in Russia and European countries (see figures below) is currently very large, sooner or later this imbalance will have to be addressed, which will have an important effect on the development of this market.
- An increasing role is played by ecological problems, which attract the attention of legislators and the international community.
- The expected support of the forestry industry from the state, which may include a series of measures including customs and tariff policy; support of priority investment projects in the forestry industry; reaching agreements with major multi-national forestry corporations on moving production facilities to the territory of the Russian Federation; realizing the possibilities contained in the new Forestry Code on the development of forestry in the country; and other measures.

MARKET SUPPLY

At present on the Russian market of biofuel boiler equipment, there are five categories of

sellers offering:

- new foreign equipment,
- used foreign equipment,
- modernization of existing Russian equipment using foreign experience,
- Belorussian equipment,
- equipment from Russian manufacturers.

According to the approximate assessments of Ekodrev-Tver, Ltd., one of the leading Russian manufacturers of biofuel boiler equipment, at present the distribution of boiler equipment on the market is as follows: 40% of the market is equipment of Russian manufacturers; 25% is new foreign equipment; 20% is used foreign equipment; 10% is modernized Russian equipment using foreign experience, and only 5% is from manufacturers of the Republic of Belarus. In the Far East, equipment from Chinese manufacturers is popular, but so far it is quite difficult to assess the scale of their expansion on the Russian market.

In general, we may conclude that western and Russian manufacturers are most active on the Russian market, while equipment from Chinese and Belorussian manufacturers currently makes up a small percentage of the market. Exactly what equipment is represented on the market?

All the boiler equipment is classified by the type of fuel used – gas, liquid fuel, and solid fuel. Sources of solid fuel, in their turn, are divided into non-renewable (coal) and renewable (biofuel – waste from timber-processing and agricultural production).

Turf occupies an intermediary position, and is considered to be a long-term renewable type of fuel. Hazardous waste and domestic garbage can also be used as fuel. In comparison with traditional types of fuel, primarily coal and fuel oil, renewable biofuel is much more ecologically sound.

For example, the realization of the project for energy use of timber waste at the Tsiglomensky district of Lesozavod 25, CJSC, which is being carried out by the German company Polytechnik GmbH, made it possible to reduce emissions:

- SO₂ – by 187.4 tonnes per year;
- CO – by 21 tonnes per year;
- NO₂ – by 6.2 tonnes per year;
- CO₂ – by 10,667 tonnes per year.

At the same time, the actual price of expenditure to receive 1 Gcal is reduced by more than 10 times.

WOOD FUEL PELLETS

In countries surrounding Russia, two fundamentally different strategies of developing the bioenergy industry with an emphasis of wood types of fuel are being realized. In Sweden, the main strategy is focused on the manufacture of refined pressed biofuel – pellets and bricks. Accordingly, local manufacturers primarily provide the market with highly automated equipment that is designed to burn homogenous wood fuel.

In Finland, there is another strategy – to maximize the use of low-quality wood and timber waste: wood chips, sawdust, bark, tops of trees, fir needles, thin trees from early thinning, etc. So the main equipment used is designed to burn types of fuel with low flammability, for example fluid bed technology is widely used.

With help from Swedish companies interested in realizing the first strategy of development of the bioenergy market of Russia, a market for manufacturing wood fuel pellets has already

At the end of the last century, Europe and other countries (USA, Brazil, Australia, etc.) began actively developing renewable energy because of fuel crises and concerns over a lack of energy sources in the future, paying particular attention to bioenergy, as this is the most widely available source of energy in most countries. Types of biofuel are expanding. Apart from logs, other sources are appearing on the market: wood chips, bricks, pellets, etc.

The European Union has the common goal of raising renewable energy to 12% by 2010. The leading countries in Europe that use bioenergy are Sweden, Finland, Austria and Denmark.

Percentage of biofuel in the fuel and energy balance:

- Sweden – 25%;**
- Finland – 25%;**
- Austria – 24%;**
- Denmark – 11%;**
- Russia – 1–1.5% (3–5% by 2015).**

Source: data from the Forestry Confederation of Northwest Russia

formed in our country, mainly oriented towards export. A domestic market for consumption of this product is gradually being created, although at present it would be more correct to say that this market is virtually non-existent.

As pellet production in Russia has been oriented towards export since the very birth of the industry, manufacturers of fuel pellets are mainly concentrated in the Northwest region because it is close to the main European markets and sea ports. It is estimated that at the end of last year, there were over 100 factories manufacturing fuel pellets in Russia. The total volume of production in 2007, according to approximate estimates, was over 500,000 tonnes of pellets. Of them, according to Anton Ovsyanko, the general director of Portal, Ltd. (the biofuel portal www.wood-pellets.com), at least 80% were exported, and around 5-10,000 tonnes went to the domestic market.

At a time when the price of gas is pushing Western buyers to make a swift move to biofuel equipment, the situation is the opposite in Russia. However, in a number of regions there are problems with gas supply, so it is not surprising that it is here that the new biofuel equipment market is growing most dynamically. These are mainly such regions as Karelia (according to the National bioenergy union, around 20% of boilers in Karelia already use biofuel), Komi and the Arkhangelsk region. And in other regions, such as the Leningrad region, it is not possible to lay gas pipelines to reach all areas at a reasonable price.

The payback period for biofuel boilers in Russia is usually not more than 5 years. The payback period is influenced by local prices on heating, electricity, fuel and the possibility of attracting privileged ecological loans (for example, from NEFCO), or participating in other programs to reduce emissions. Even if the raw materials base is not sufficient to transfer the boiler to biofuel, the combined use of biofuel and fuel oil will still have a noticeable economic effect.

The next important factor that hinders development of this market is the state policy on financing these projects. In European countries, 30% of the cost of biofuel equipment purchased is subsidized by the state. Of course, our neighbors are pushed to do this by a deficit of coal, gas and oil. In our country, there are so

far only a handful of examples of state support in a few regions. But manufacturers of the equipment are already noticing that in the Permsky Krai and the Irkutsk region, where these programs are being implemented, there is increased demand for this equipment.

Finally, the main hindering factor may be the simple economic inexpediency of the project.

The biofuel industry in Russia only began to form properly a short time ago, and today the formation of this market is far from complete. Manufacturing firms have to solve the marketing and logistic tasks on the fly. In Russia today, there are very few manufacturers of this equipment – not more than 20–25 stably functioning enterprises, most of which are located in the central region and in the Northwest. Among foreign manufacturers, the most in demand among Russian clients are the Austrian firm Polytechnik, the Finnish company Wartsila, the German Viessmann, and a number of other firms.

THE NORTHWEST

Whereas there were only five factories manufacturing pellets in Russia in 2003, their number is now much greater, and the number of new factories is constantly increasing. The production of pellets in the Vologda region is well developed. The raw materials for them are sawdust, wood shavings and chips and other wood-processing waste, and they may also include turf and bark. One of the acknowledged leaders in the region is Volgalesprom Corporation, JSC, which has considerable experience in investment projects and now manages a factory that manufactures biofuel in Veliky Ustyug with a capacity of 50,000 tonnes per year (the largest wood pellet factory in Russia at present). The volume of investment in the factory was 7 million Euros. The raw material is waste from sawing and wood-processing, and also low-quality timber. In the coming years, another three factories of this type will be built in Totma, Chagoda and Vozheg. There are a total of seven factories that manufacture pellets in the Vologda region that are either functioning or about to be put into operation. The total output of the factories is 200,000 tonnes of pellets per year.

In the Leningrad region in 2008, four new factories manufacturing fuel pellets will be put

into operation with a total production volume of 195,000 tonnes a year. The consumers of this product are boiler enterprises, private houses and cottage settlements. A percentage of the raw material also goes to be sold in St. Petersburg and Moscow. At present in the Leningrad region, there are 5 factories manufacturing fuel bricks, 11 factories manufacturing fuel pellets, and also 8 factories which process chips from waste of their own production. The annual increase of fuel pellets in the Leningrad region is around 90%. Mayr-Melnhof Holz (Austria) plans to open its own factory manufacturing biofuel in the Boksitogorsk region of the Leningrad region in 2008. The capacity of the new factory will be around 70,000 tonnes per year. All the production of the new factory will be exported. In 2007, a factory manufacturing wood pellets with a capacity of 50,000 tonnes per year (Baltiisky Lesopromyshlenny Holding, JSC) was built in the Kingisepp region, although it has yet to be approved by state commission.

In Arkhangelsk in 2007, a pellet factory was put into operation. The owner of the factory is Ekoterm, Ltd. The factory was built on the industrial site of the former 14th Timber Mill. Investment in the project, including equipment installation, came to 15 million Euros. The capacity of the factory is 2 tonnes of pellets per hour. The enterprise works in four shifts. The prime cost of the manufacture of pellets at this factory is around 80 Euros per tonne. The first consignment of fuel pellets will be sent to Sweden.

In the Republic of Karelia at the end of 2007, Biogran, Ltd. opened a factory which processes waste from sawmills and manufactures fuel pellets with an output of 8,866 tonnes in the first year and 15,000 tonnes after the expansion of production. The Solomensky Timber Mill in Petrozavodsk plans to acquire a fuel pellet production line.

In the Republic of Komi in 2006, the first fuel pellet factory was opened in the village of Noshul, as a project for alternative use of energy sources. The projected capacity of the factory is 2 tonnes of pellets per hour, or around 1,200 tonnes of biofuel per month. The market for Noshul biofuel is intended to be Western Europe and regional consumers (municipal boilers). A factory with a capacity of 14,000 tonnes of fuel pellets per year was built by the company Algir Pellets, Ltd. (Moscow). The cost of the project was 77 million RF Rubles. So far one of the two planned production lines is operating; the equipment is

currently being fine-tuned. Algir Pellets plans to raise levels of production to 25,000 tonnes a year, for which around 150,000 m³ of timber will be required. It plans to build a second, more powerful factory in the Priluzsky region.

OTHER RUSSIAN REGIONS

Although the scale of pellet production in other Russian regions is smaller than in the Northwest, the biofuel industry is also developing there. For example, in the Kirov region, the Murashink Biofuel Factory has been operating since 2005, and there are production lines of a similar nature where wood waste is processed into biofuel.

At present in Torzhok (Tver region) a factory is being built to manufacture fuel pellets with a capacity of 60–70,000 tonnes per year. It will surpass the factory in Veliky Ustyug in its production. However, the cheapest and most widely available form of local fuel is still turf.

The use of biofuel in the Vladimir region is actively developing. The Kovrovsky Factory of Boiler Heating and Drying Equipment (Soyuz, Ltd.) launched a pilot project in October 2006 – a pellet boiler with an output of 600 KW, which was installed in the village of Nebyloe.

In the Irkutsk region in 2006, the local forest industry research institute developed three projects of factories for manufacturing biofuel, which were to be located in Irkutsk, Kachuga and Ust-Ude. However, there is no precise data on the realization of these projects.

At the beginning of 2007, the manufacture of fuel pellets was launched on the basis of the wood-processing combine Yenisei in Krasnoyarsk.

As far as bricks are concerned, the largest factory in the world that produces bricks from sawdust is located in Russia, in Ulyanovsk. The factory is owned by the company NLK (Sputnik group). The factory output is 5,000 kg per hour.

In Russia, boilers using wood pellets are sold that are manufactured by Grandeg (Latvia) – 15–500 KW, FACI (Italy) – 15–1,394 KW, Benekov (Czech Republic) – 6.5–42 KW, Arterm (Finland) – 20–50 KW, Komforts (Moscow) – 200–300 KW, the Novosibirsk factory, and also industrial equipment using pellets manufactured by Soyuz, Ltd. (Vladimir region).

A. Voropaev

**SIBERIAN
FEDERAL DISTRICT**Omsk
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RegionNovosibirsk
RegionKrasnoyarsky
KraiRepublic of
KhakassiaIrkutsk
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THE OMSK REGION IN FIGURES

The Omsk region is located in the southern part of the West Siberian Plateau. The region borders the Tyumen region in the west and north, the Tomsk and Novosibirsk regions in the east, and the Republic of Karelia in the south and southwest. The territory occupies 141,100 km², i.e. 1/15th of Western Siberia. The forests are one of the main riches of the region. At present they occupy over 27% of the total territory. So, by the volume of annually attracted foreign investment, the Omsk region is constantly among the ten leading regions of the Russian Federation.

In the forest zone, coniferous species (pine, fir, spruce and cedar) predominate, and the deciduous species are represented by birch and aspen. The forests are considerably different from the forests in the European part of Russia. Oak and ash do not grow here, and of the deciduous species of birch, aspen and alder are found here. In the forest steppe zone, there are separate aspen and birch areas, and the forest plantings are widespread. Between these plantings there are open spaces of meadow-steppe vegetation. In the forest steppe zone, forests occupy 15-25% of the territory on average – 2-3 times more than in the south of the region. There are pine forests here. In addition to small birch groves (forest plantings), which are a characteristic element of the landscape, significant areas are occupied by meadow and swamp vegetation. The steppe zone is characterized by the almost complete absence of forest cover, and a lower diversity of types of grass in comparison to the forest steppe.

The vegetation of peat moss bogs has a true taiga nature. Besides stunted pine, typical taiga vegetation grows here in abundance – cloudberry, cranberry, wild rosemary, cotton grass and cowberry.

Forests in the Middle Irtysh area occupy around 1 million hectares. Dark coniferous trees predominate: spruce, fir, Siberian cedar. Sometimes, dark coniferous species form mixed woodland with several types of birch, larch and pine. There are

many birch areas with small groups of aspen forest on the southern borders. The further north, the more deciduous forests give way to mixed forests with pine and spruce, and in some areas cedar, fir and larch grow.

POPULATION

According to data of January 1, 2005, the population of the Omsk region is 2,046,600 people. The population of the region lives in six cities, 21 workers' settlements and 1,517 rural settlements. Sixty nine percent of the population lives in urban areas and 31% in rural areas. The city of Omsk is the seventh largest in Russia by number of inhabitants. The population of the city is 1,142,800 people. The Omsk Irtysh area is populated by representatives of over 120 nationalities and 20 ethnic groups. The most numerous are Russians (83.5%), Kazakhs (3.9%), Ukrainians (3.7%), Germans (3.7%), and Tatars (2.3%).

SOCIO-ECONOMIC INDICATORS

The general trends of development of the economy and social sphere in the Omsk region can be characterized as stably positive. Many socio-economic indicators are not only significantly higher than the guideline values taken into account in forecasts of socio-economic development of the Omsk region and accepted in the plans of actions of the regional government, but are also higher than the level achieved over the last few years, which

have been quite successful for the Omsk region. The results of the region's socio-economic development in the first half of 2008 characterize its position as stable, with a steady increase of the main indicators in the economy and social sphere.

The quantitative growth of the main macro-economic indicators of the Omsk region exceeds the dynamic of nationwide indicators. The policy of the Omsk region government in forming a favorable business climate has made the Omsk region attractive for investments. As a result, major Russian and foreign investors are prepared to invest significant financial resources in opening new factories, in retail and in the service sphere. A new stimulus was received by the development of foreign economic cooperation between the region and political subdivisions of foreign nations, and regions of foreign federal nations – the Chekh Republic, the Federal Republic of Germany, the People's Republic of China and the Republic of Kazakhstan. There is a Consulate of the Republic of Kazakhstan working in the city of Omsk. Mutually beneficial relations with these territories are already extremely productive. Omsk's status as a border region also enables active cooperation with foreign partners.

The development of different forms of state support for small business has made it possible to increase its role in the economic sphere significantly, providing employment, effectively solving the problem of reducing the poverty level, and development innovations. Entrepreneurs are highly active in the use of innovative production. The number of people employed in small business organizations accounts for around 14% of all the employed of the Omsk region economy, and small business organizations produce around 7% of the total output of goods and services.

Of increasing significance in the realization of the socio-economic policy is the effective mechanism of state and private partnership, which lies at the basis of interaction between government and business. The objective of the bodies of the executive power of the Omsk region is to create the necessary conditions for attracting strategic investors to the basic sectors of the economy; initiating business activity; and developing small businesses; the innovation sphere, and foreign economic activity.

Development of the Omsk region is restricted by the following factors: the significant deterioration of key assets in the economic sector and infrastructure;

the high cash-consumption of the economy because of the harsh climatic conditions, the dependence of the energy system of the Omsk region on deliveries of coal from the Republic of Kazakhstan; and the drop in the population of the Omsk region.

BASE FOR ACCELERATED ECONOMIC GROWTH

In the first half of 2008, industrial production grew by 8.5% against the same period of 2007. In the processing sector in the first half of 2008, new woodworking plants reached their projected capacity. The AVA company, which created a closed cycle of manufacture, deserves special mention. It achieved an annual felling rate of 80,000 m³ of timber (the figure is expected to double in 2009), while the plant has the raw material provision for another 9.5 million m³. Also, AVA has opened a band mill complex.

AVA was the first company in Russia to become a member of the American National Hardwood Lumber Association (NHLA).

The increased investment activity of factories in the Omsk region is a guarantee for future economic growth. In the first half of 2008, the growth rate was 125.9% in comparison with the equivalent period of 2007. Since the beginning of the year, new plants have been opened for manufacturing sawn veneer (Svarog, Ltd., Ust-Ishimsky region) and sawn materials, glued solid timber and glued beams (Rassvet, Ltd.).

The favorable investment climate in the Omsk region is also confirmed by independent experts. The international rating agency Moody's Interfax confirmed the credit rating of the Omsk region to be Aa2.ru on the national scale (a very high rating compared to other regions in the country). Additionally, for the first time the Omsk region was awarded a credit rating of Ba2 on the international scale. Only the Moscow and Nizhny Novgorod regions, the Krasnoyarsky Krai and a few other regions have a similar rating.

According to preliminary assessments, the foreign trade turnover of the Omsk region in the first half of 2008 came to 600 million US Dollars, or a 106.6% increase against the equivalent period of 2007. The main exports in the Omsk region were products of the chemical industry, food commodities and agricultural raw materials, machinery, equipment and means of transport, metals and items made of metal.



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DEVELOPMENT STRATEGY

The region administration has developed a strategy of socio-economic development of the Omsk region up to 2020. It contains the following possibilities for the development of the Omsk region: the organization of a special economic zone on the territory of the region; the creation of new high-tech facilities and industrial clusters; the attraction of strategic investors to the economy and social spheres; the development of the transport system, including the creation of a multi-mode transport hub; and the provision of the Omsk region with highly-qualified labor force.

At the same time, the potential risks in the development of the Omsk region are: the overcrowding of production in the Omsk region from internal and regional markets by manufacturers from neighboring regions and foreign nations; the possibility of a drop in the investment attractiveness of the Omsk region; a reduction in the competitiveness of individual sectors of the economy of the Omsk region after the Russian Federation joins the World Trade Organization (WTO); the departure of qualified labor force from the Omsk region; and the worsening of the ecological situation in the Omsk region.

An important condition in the development of production forces in the Omsk region is the territorial distribution of labor, which determines the specialization of production by economic regions. The transition to a market economy gave rise to new features of the stationing of production forces in the Omsk region. This is because there have been significant changes to the goals, tasks and functions of management; the methods of regulating the development of territories; economic ties; and a reduction in the resource capabilities of many regions. As a result, there has been a transformation in the structure of production and the spatial organization of production forces, and an increase in the territorial differentiation of the socio-economic development of the region's districts. At the same time, the main production forces of the Omsk region are concentrated in the administrative center – the city of Omsk.

Stable economic growth is impossible without accounting for the special features of the territories, the reduction of the territorial discrepancies of socio-economic development, and the creation of conditions for the development of 'growth points' in all the districts of the Omsk region.

In order to improve the territorial location of production forces, an analysis of the socio-economic development of the districts of the Omsk region has been carried out in order to determine which territories have the prerequisites for accelerated economic growth, and which territories are the most problematic. Economic regions and their centers have been singled out as being support points for the accelerated development and concentration of production forces. For example, in the sphere of timber-processing and production of wood pellets, the Northern economic region is the most promising.

Priority projects for the development of forestry in the region are: the organization of felling and processing of commercial timber, and its sale on the commodity markets of Central Asia; the creation of a joint lumber exchange in the Republic of Kazakhstan; the creation of a major felling and woodworking cluster in the north of the Omsk Region; and the organization of processing wood waste to manufacture wood pallets as an alternative fuel.

The Omsk region administration intends to give the region the status of an industrial production special economic zone. The goal is to create an industrial complex of leading high-tech facilities using modern technologies which are up to international standards, and to provide competitive production with high added value.

Expected results:

- attraction of investments in basic capital of over 20 billion RF rubles;
- additional volume of industrial production: over 20 billion RF rubles in 2011;
- additional tax revenues to the budgets of all levels: over 1.8 billion RF rubles in 2011;
- creation of over 1,300 highly qualified jobsites.

TRANSPORT COMPLEX

In the first half of 2008, 483.1 million RF rubles from the federal and region budgets were directed towards the modernization and development of the automobile road network of the Omsk region.

The goal of the development of the transport complex in the region is to create a modern high-tech center of servicing and developing transit cargo traffic to fully satisfy the demands of the economic and social sphere for cargo and passenger transport.

Priority projects in the development of the transport complex are:

- creation of a multi-mode transport hub in the city of Omsk;
- development of a network of transport and logistic centers;
- construction of the international Omsk – Fyodorovka airport;
- development of the international Trans-Siberian railway transport passage;
- development of the Ob-Irtysh transport corridor.

Expected results:

- reconstruction of around 800 km and construction of over 3,000 km of automobile roads;
- maintenance and improvement of the state of water transport routes.

FOREIGN ECONOMIC ACTIVITY

The goal of the development of foreign economic activity, international and inter-regional interaction is the consolidation of the foreign economic ties in the Omsk region. This would increase the volume of the foreign and inter-regional trade turnover, and develop cooperation between the scientific-

technical and cultural spheres.

The priority tasks of the Omsk region government in this sphere are:

- increasing the effectiveness of foreign economic potential to provide stable development of sectors of the economy;
- broadening the geography of foreign economic cooperation;
- optimizing the structure of export and import of goods in the Omsk region;
- developing cooperation with foreign investors, creating joint plants;
- providing state support to participants of foreign economic activity in the Omsk region for promoting goods and services produced.

Expected results:

- growth of the foreign trade turnover of the Omsk region in 2020 to 9 billion US Dollars;
- growth of the inter-regional trade turnover of the Omsk region by 2.2. times in comparison with the equivalent figures for 2007.

O. Trostok



Dynamics of industrial production of the Omsk region in January-June 2008

Types of activity	January-June 2008 in comparison with January-June 2007 (%)
Index of industrial production	108.5
Manufacturing activity	108.7
Including:	
Processing of timber and manufacture of items made of wood	97.7
Pulp-and-paper production; publishing and polygraphic activity	145.3

RUSSIAN BIRCH: BACK IN FASHION



Russian craftsmen have used light wood species for floor coverings and furniture since time immemorial. These sorts of wood, with their golden color of sunlight, pleased the eye in the long winter evenings. Elegant furniture made from these pale woods was an essential feature of the homes of wealthy owners. Extensive use of different species of birch in inlaid furniture and inlaid parquet bestowed upon Russian marquetry a particular light tonality and showiness in the presentation of the material.

The palest types of birch, such as the white or curly, were usually used for the background in inlaid compositions, often enriched with engravings. The application of pale wood was linked to changes in taste towards more comfortable and formal interiors which required natural color combinations in home decorating. Birch parquet created a refreshing atmosphere like a sunlit place that breathed, and its light coloring endowed the rooms with spaciousness and freshness. The next surge in the fashion of finishing furniture with birch was at the end of the 19th century up to about 1920. This was connected to the new direction in architecture and interior design, retrospectivism, with its return to the past and idealization of the noble households of the Golden Age. During this period, according to their drawings, St. Petersburg

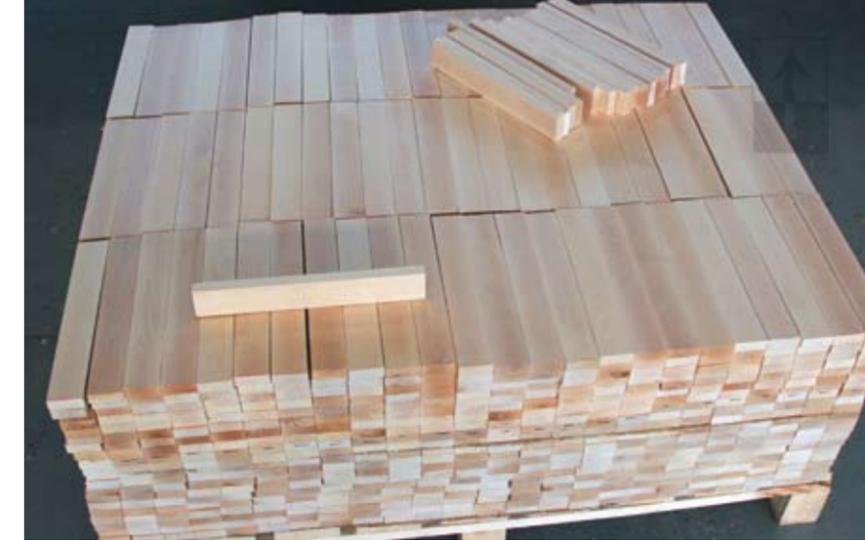
architectures created whole ensembles of neo-empire furnishings veneered with birch and poplar. Neo-classicism became the style of the most prestigious districts in St. Petersburg.

Turning to the not so distant past, one recalls that during Soviet times floors in new apartments were made from birch and served their owners with faith and truth for many years, even taking into account that the floors were actually made of waste materials. This was then forgotten for a long period, and the lead position in finishing was assumed by oak and beech, with occasional prominence by various exotic species. The fashion for birch is now on its way back in, but this time it is coming to us from Europe. Europeans like to use birch in home interiors, and what's more, they view it as the most environmentally friendly

of woods. Paradoxically enough, there is still an artificial but persistent conviction that birch is not suitable for interiors, and it has a reputation as a non-construction wood. As a result, Russia's national symbol is not currently popular in Russia itself. Nevertheless, there is a new trend in place that is confidently securing its position on the Russian market. Of course, not all types of birch are suitable for use in construction and industry. However, in our country we have five climatic zones, and in each zone the wood has its own special characteristics. These features simply need to be rediscovered.

AVA Company is proving to be one of these trail blazers. Tapping into the modern trend, AVA Company opened a new production facility in November 2007 in the Omsk region. The owners of Troika Dialog actually had the idea for a project of this nature several years ago, and after very thorough calculations, construction was commenced and production started. Four months after the opening of the facility, in February 2008, the first deliveries of finished products were made. The new brand was called Russian Birch, and the lion's share of products is currently going for export.

Why was the Omsk region, with forests making up a relatively small proportion of the territory, and those mostly on the border of the Tomsk and Novosibirsk regions, selected as the production site? The explanation lies in the carefully thought-out selection of raw materials. AVA Company took three years of serious research to identify the right kind of wood with ideal production qualities. The species of birch that grows in the region is different from the classical birch in that the wood has a paler coloring and is harder. By way of comparison, the hardness of oak is 740 MPa, while that of this particular species of birch is 720 MPa. This measurement is the result of the particular features of the climatic zone for which a harshly continental climate is characteristic – very hot summers and very cold winters. The annual growth rings are therefore formed very densely, which provides additional hardness to the wood. Furthermore, this particular species of birch does not suffer from so-called false heart, while the uniquely soft light shades of the wood provide opportunities to use this timber for different types of products, from windows and doors to floor coverings. The climate and the predominantly sandy soil of the forest tract, as well as the scarceness of marshy stretches of land, result in an almost



complete absence of decayed wood, knots and other defects that are typical of birch trees in other areas of Russia.

Today AVA Company has a real chance of becoming the exclusive supplier of birch not only for export, but also across the whole of Russia. High-level timber-processing and large production volumes make this possible. The high quality of the natural resource and modern production methods combine to give a unique end product. The use of modern technology and special training for personnel mean that the materials are put to maximum use.

'We plan to sell our products in Russia. We feel there is interest in our stock. We assess that Russian buying potential is high. Nevertheless, 70% of our products are currently going for export, while only 30% remain in Russia,' – said the General Director of AVA Company, Akop Mkhitarian in an interview – The situation will definitely change, though, as European trends always arrive late in Russia.'

Production now includes parquet, moldings and furniture panels. The company's whole range of products are durable, can be processed well, and, most importantly, are ecologically clean and give off no chemical by-products. The production process undergoes constant modernization, with heat treatment soon to be introduced into the production cycle. This will expand the application segment of the birch substantially, making it possible to use the wood outside as well as inside the home. And, finally, products bearing the Russian Birch trademark fit in perfectly with the accessible housing program, combining democratic pricing, high quality, and an inimitable national style.

R. Budarina





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THE OMSK REGION'S INVESTMENT CLIMATE: A FAVORABLE PROGNOSIS

The investment climate of the Omsk region has repeatedly been characterized as highly attractive for large-scale companies, including foreign ones. The local business community demonstrates vast social commitment. The main investment inflows have traditionally been used to solidify political and social spheres, adding to the development of the region.

Foreign investments into the Omsk regional economy for January-June 2008 were 315.1 million US Dollars, which is 10.4% more than that for the same period of 2007. Stable economic development, growing purchase capacity, governmental support and a deliberate strategy for creating a favorable investment climate make the Omsk region an attractive target for investment. The most heavily funded areas are building construction, transport, communications, food, fuel, and energy.

Foreign investments are mainly oriented towards chemistry and petrochemistry. In terms of the size of equity investment, housing is second to none, receiving 8,486 million RF rubles (the share of big and medium organizations is 5,024.3 million RF rubles (59.2%)). The Omsk region has already seen the commissioning of houses with an aggregate area of 535,900 m³. In comparison with the same period of 2007, the amount of commissioned housing has increased by 9.6%. Private housing built through personal funding or credits totaled 196,900 m³. In January-June 2008, the Omsk region was first among constitutive entities of the Siberian Federal District and the tenth in the Russian Federation.

According to the regional Ministry of Economy, the industrial production growth in 2009 is

expected to be 5.5-8% against that of 2008. Economists forecast that GRP is to increase by 14-22%. The industrial growth for the period up to 2011 should be from 16.9% to 26.6%. Experts say that the year 2009 will give a boost to the woodworking sector.

The investment rate growth occurred because of several big-size investment projects. Among them is the reconstruction of the Omsky oil-refining plant of Gazpromneft, JSC, a new polypropylene plant, and a program of integrated housing construction. The Briker-Keramika plant has begun operation of another production line; the plant producing aerated concrete blocks has reached its rated capacity. Rural districts have commissioned new plants outputting rotary-cut veneer, lumber and glued massive timber.

The construction of a new glass plant has been underway since May 2007 (investments exceed 110 million Euros). The project was initiated by Rus-steklo Company, Sibirskaya Organika (Omsk enterprise) and German equipment suppliers.

Czech Sklostroi-Sizett S.r.o began building a 45 million Euros glass plant in the city of Omsk. Several large-scale projects have been implemented by IKEA, RosEvroDevelopment (RosEuroGroup Consortium, RosEuroBank), and Kremlin Group, CJSC. German METRO Cash &

Exterior trade dynamics of the Omsk region (million US Dollars)

	2002	2003	2004	2005	2006	2007	First half-year of 2008
Export	939.8	1,351.8	4,184.9	7,191.7	4,862.2	542.9	283.7
Import	187.4	200.7	290.5	318.1	449.3	468.5	293.6

Sources: Omsk Territorial Agency of the Federal State Statistics Service and Siberian Customs Agency

Carry has completed its construction of a big retail trade center in Omsk.

The good investment climate attracts investors. The Bank of Development and Foreign Economic Activity (Vnesheconombank) supported the project of a closed-cycle biotechnological complex expected to produce about 10 kinds of products including biofuel (bioethanol) and polypropylene. The total amount of investment required by the project is estimated at 40 billion RF rubles. VEB's share in the form of credits will be approximately 20—30% of the total sum invested. The main facilities of the complex are planned to be commissioned before 2012. Vnesheconombank has also shown interest in a forest industry creation project.

The budget revenues of the Omsk region in the first half of 2008 were 20 billion RF rubles, which is 2 billion RF rubles more than the previous year. In June 2008, the average salary was 14,000 RF rubles, which is a 23.4% increase against 2007.

Local companies traded with counterparts in 78 countries. The most active collaboration is registered in CIS countries, accounting for 61.2% of the region's turnover.

The most active trade partners have been Kazakhstan (34.7% of 2007 turnover), the Republic of Belarus (8.9%), Kyrgyzstan (6.4%), Uzbekistan (5.6%), Ukraine (4.7%), China (4.5%), Germany (4.1%), Hungary (2.9%), Canada (2.2%), and Slovakia (2.2%).

Foreign investments were targeted at the wholesale trade, including trade through agents, accounting for a 51.7% share of all foreign investments for January-June 2008. Direct investments made up 57.3 million US Dollars, i.e. 18.2% of all foreign investment for this period.

During the same period, the local economy received investments from 50 countries, 47.8% of which came from 10 CIS countries. The heaviest investment inflow came from Kazakhstan (36.8% of the total amount of investment), Cyprus (6.8%), Slovakia (6.2%), the USA (5.5%), Ukraine (4.9%), Canada (4.9%), Germany (4.9%), Austria (4.2%), Switzerland (4.1%), and Belarus (3.3%).

Accumulated foreign capital as of July 1, 2008

was 759.6 million US Dollars, which is 72.7% more than as of July 1, 2007.

In 2008, foreign trade is one of the regional government's priorities including:

1. Support of export-oriented and import-replacing businesses in order to optimize the trade structure;
2. Identifying perspective foreign markets and disseminating information about various cooperation patterns;
3. Promoting the increase of the number of local companies engaged in foreign trade;
4. Enhancement of cooperation with border-line Kazakhstan regions.

The government is actively forming and adjusting the regulative framework for the purpose of creating a favorable investment climate in the region. The Law of the Omsk region dated December 20, 2004 No. 594-OZ 'On the Stimulation of Investment Activities in the territory of the Omsk Region' determines the legal basis of support of such investment activities, their forms and procedures.

The law provides for the following patterns of governmental support:

- Credits out of the local budget funds;
- Investment tax credit;
- Lease of real property and reduced lease payments for property owned by the Omsk Region;
- Governmental guarantees;
- Securities business.

Subsidies as a partial compensation for expenses on paying interests on credits, received for implementation of investment projects, and (or) lease payments on lease agreements concluded for the same purpose in accordance with the law of the Omsk region on the local budget for the next fiscal year.

The regional forest sector is focused on timber house construction. Timber housing projects enhance the social infrastructure of



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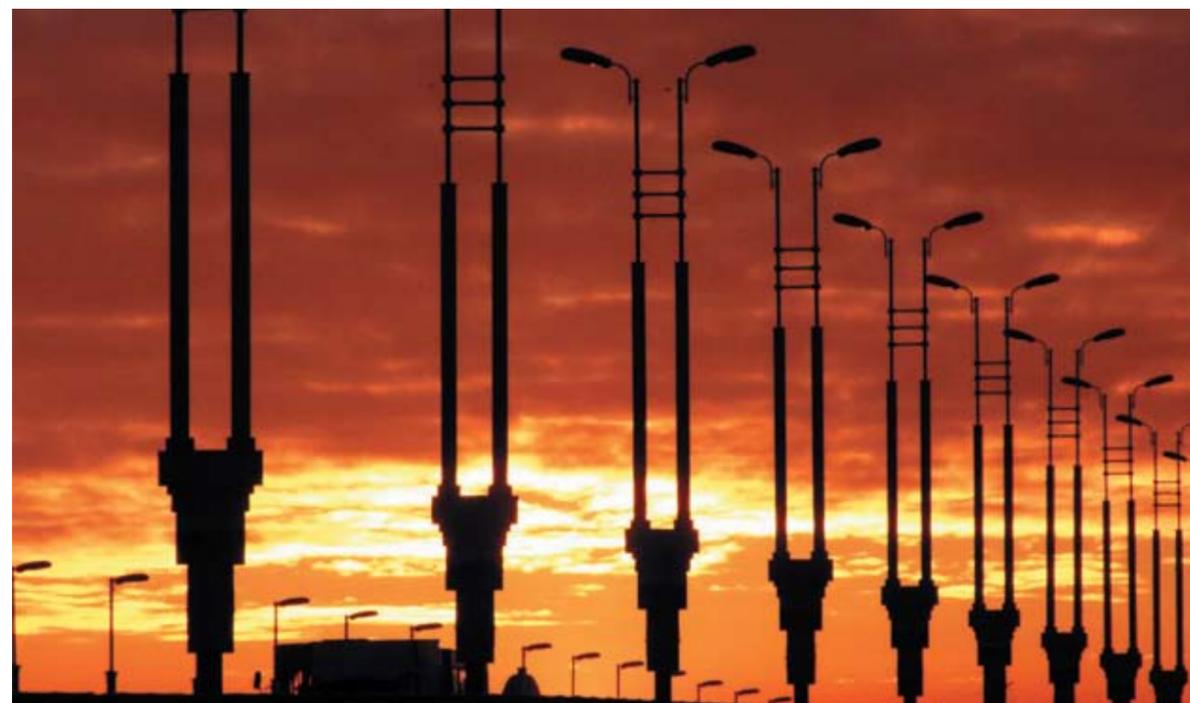
remote settlements. One such project which gained governmental support is a project for a pre-fabricated timber house plant with the capacity of 300 houses per year, initiated by Omskagrostroy Non-Commercial Partnership. The amount of investment required is 125 million RF rubles. According to Omskagrostroy, NP President Sergei Mytarev, the Regional Governor Sergei Polezhaev set a target of 3,000 houses per year on a one-shift working schedule. Omskagrostroy's share in the southern and central parts is 1,000, respectively. The expected payback period is 2 years; 58 jobs are to be created. Wood panel houses will be produced complete with all necessary utilities. The on-site period of assembly is 3 - 4 days. Investsberbank is putting 62 million RF rubles into this project. Deutsche Bank (Heilbronn, Germany) is also considering participation in the project. The cost of one square meter of such housing is approximately 7,000 RF rubles.

The government has approved the log house manufacturing project of Ekort-Dom, Ltd. The amount of investments required is 82.5 million RF rubles. The company is the current leader in log housing in West Siberia. The new plant is to use developed and patented log rounding technology. The rated capacity of the refurbished plant is up to 1,500 houses per year. The estimated tax revenues of the

budget for the payback period will be 16 million RF rubles, and 500 people will get jobs. To be maintained in a proper order, the forest industry of the Omsk region needs to produce at least 6 million m³ of timber per year.

The woodworking sector was strengthened by the woodworking plant on which work was begun in 2007 by AVA Company, CJSC (initiator Troika Dialog, GC). The second phase of the project provides for augmenting timber harvest and integrated processing up to 300,000 m³ per year. The woodworking facilities enjoy EWD automated band sawing machines, Muehlboeck drying chambers (Austria), Weinig planing machines (Germany), Paul optimizers (Germany) and a Weinig furniture panel producing line. AVA Company is a holding with its head timber processing plant located in the city of Omsk and two logging subsidiaries in Sedelnikovo and Tara districts. AVA Company has leased more than 200 hectares of forest in the Omsk region for 49 years and is to carry out reforestation work under the lease agreement. The total amount of investments as of today is about 50 million US Dollars. More than 500 new jobs have been created.

O. Troskot



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Main Enterprises of the Omsk Region

Name	Activity	Address	Contacts
Abstanovka, Ltd.	Furniture production: staircases	644105, Omsk, 4 th Chelyuskintsev St., 4	Ph. +7 (3812) 28-06-00, abstanovka@mail.ru
Agora 2000, Ltd.	Furniture production	644007, Omsk, 13 th Severnaya St., 157A	Ph.: +7 (3812) 23-79-34, 38-03-68, agora2000@bk.ru
Alyanstekhstroy, Ltd.	Hydraulics: hydro pumps, spare parts and tractors	644023, Omsk, 4 th Transportnaya St., 60, office 214	Ph.: +7 (3812) 54-35-99, 46-63-93, alltehtstroy@rambler.ru, gidromsk@yandex.ru, info@allts.ru
Assa, Ltd.	Woodworking tools. Abrasive equipment	644016, Omsk, Semirechenskaya St., 106	Ph. +7 (3812) 37-32-27, instrument-2007@yandex.ru
Aton, Ltd.	Case furniture production	644116, Omsk, 36 th Severnaya St., 5	Ph. +7 (3812) 68-38-34, aton_omsk@mail.ru
AVA Company, CJSC	Woodworking	644073, Omsk, Vtoraya Solnechnaya St., 57	Ph.: +7 (3812) 39-49-59, 72-00-65, info@ava-company.com, www.ava-company.com
Avangard	Furniture production: windows and doors	644001, Omsk, Kuibysheva St., 79	Ph.: +7 (3812) 36-25-04, 58-06-66, 58-07-05, 50-86-68, cim_avangard@mail.ru
Avrora, Ltd.	Furniture production	644007, Omsk, 13 th Severnaya St., 157A	Ph.: +7 (3812) 22-02-30, 35-14-90, paveL_zimens@mail.ru, mf_avrora_omsk@mail.ru, www.avrora.omsk.ru



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**Irkutsk
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**Republic
of Sakha
(Yakutia)**



**Khabarovsk
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**Primorye
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Name	Activity	Address	Contacts
Azbuka Komforta, Ltd.	Production of millworks	644031, Omsk, 25 th Linia, 72	Ph.: +7 (3812) 39-51-49, 36-90-18
Balsa Plus, Ltd.	Furniture production	644015, Omsk, 22 nd Dekabrya St., 98	Ph. +7 (3812) 73-34-75, balsa@bk.ru
Bastion, Ltd.	Wooden doors' production and sales	644083, Omsk, Khimikov St., 56	Ph. +7 (3812) 68-90-89, bastion.69@mail.ru, www.bastion-omsk.ru
Bikomp, Ltd.	Plywood production	644007, Omsk, Neftezhavodskaya St., 50/1	Ph. +7 (3812) 67-33-24
Brigada CPS, Ltd.	Woodworking equipment	644047, Omsk, Gusarova St., 117	Ph.: +7 (3812) 24-71-61, 24-75-81, cps76@mail.ru
Briz, Ltd.	Lumbering. Molding production	644041, Omsk, Kirova St., 12	Ph.: +7 (3812) 54-12-00, 54-11-92, bris64@list.ru
Degelen, Ltd.	Woodworking. Wooden construction	644036, Omsk, Melnichnaya St., 130	Ph. +7 (3812) 51-35-00
Demidov-Mebel	Furniture production	644009, Omsk, Lermontova St., 194	Ph. +7 (3812) 33-55-87, demidovmebel@mail.ru
Dukon-nsk Ltd. (Dukon representation in Omsk)	Woodworking equipment: transportation and service	644086, Omsk, 21 th Amurskaya St., 13	Ph.: +7 (3812) 38-40-15, 33-83-90, omsk@dukon.ru, www.dukon.ru
Dvernoy Holding, Ltd.	Wooden doors	644121, Omsk, Truda St., 49	Ph. +7 (3812) 41-77-88, omsk@dveriomsk.ru, www.dveriomsk.ru
Edelveis, Ltd.	Upholstered furniture production	644015, Omsk, 22 nd Dekabrya St., 92	Ph. +7 (3812) 92-76-29, edel@edel-mebel.ru, www.edel-mebel.ru
El-Port, CJSC	Timber-processing. Lumbering	644009, Omsk, Maslyannikova St., 191	Ph. +7 (3812) 36-69-22, elporttpk@yandex.ru
Enisey Corporation	Production of millworks	644016, Omsk, Semirechenskaya St., 102	Ph.: +7 (3812) 55-12-05, 55-18-79, 55-12-01, 55-12-00, enisey@omsynet.ru, www.enisey-servis.ru
Esaul TF, Ltd.	Woodworking equipment and tools	644105, Omsk, Altaiskaya St., 20A	Ph.: +7 (3812) 26-37-32, 26-50-22, esaul-omsk@yandex.ru, www.esaul-omsk.ru
Etalon, Scientific Production Association, CJSC	Metrological and control equipment	644009, Omsk, Lermontova St., 175	Ph.: +7 (3812) 36-79-18, 36-94-53, 36-78-82
Gabitus, Ltd.	Furniture production	644041, Omsk, 1 st Zheleznodorozhnaya St., 1	Ph. +7 (3812) 54-79-42, mikkola@mail.ru
Gidro-M, Ltd.	Woodworking tools. Cargo transport. Agricultural technology	644023, Omsk, 4 th Transportnaya St., 60, office 214	Ph. +7 (3812) 54-35-99, ogid@rambler.ru, www.t498015.narod.ru
Infotex, Ltd.	Woodworking tools sales	644033, Omsk, Krasny Put St., 143A	Ph. +7 (3812) 24-99-73, infotexomsk@mail.ru, www.infotex.org
Instrumentalnaya Lavka	Woodworking equipment. Wood-cutting tools	644021, Omsk, Ippodromnaya St., 27	Ph. +7 (3812) 51-08-27, lavka@echo.ru
Istek, Ltd.	Woodworking: facade board and construction material production	644901, Omsk, Beregovoy settlement, PO Box 565	Ph. +7 (3812) 98-13-84, istekf@mail.ru, www.istekf.narod.ru
Italyanskaya Torgovaya Organizatsia, Ltd.	Woodworking equipment. Wood-cutting tools	644007, Omsk, Pervaya Beregovaya St., 16B	Ph. +7 (3812) 23-48-81, ito@omskele.com
Lakron, Ltd.	Lumbering. Veneer and moldings manufacturing	644069, Omsk, Osoaviakhimovskaya St., 172	Ph.: +7 (3812) 25-47-51, 23-51-72
Lis, Ltd.	Woodworking equipment. Wood-cutting tools	644122, Omsk, Pyatoi Armii St., 2	Ph. +7 (3812) 24-91-77, lis@omskele.com
Master-Line, Private Entrepreneur	Woodworking equipment and tools. Abrasive equipment	644007, Omsk, Gusarova St., 28	Ph. +7 (3812) 24-21-65, masteromsk@aport.ru
Mirovoy Instrument	Woodworking tools. Abrasive equipment	644011, Omsk, Eniseyskaya St., 1, 6 th Taxi park building	Ph. +7 (3812) 76-65-89, twot@list.ru

Name	Activity	Address	Contacts
Myakhkaya Mebel Furniture Mill, Ltd.	Furniture production	644029, Omsk-29, P.O. Box 430	Ph. +7 (3812) 63-11-55
Omlsred, Ltd.	Chipboard and fiberboard production	644007, Omsk, Rabinovicha St., 61	Ph.: +7 (3812) 24-77-33, 24-91-94, 71-03-00, sdn055@rambler.ru
Omsktraktor, Group of Companies	Timber logging technique. Agricultural, communal and road technique production and sales	644018, Omsk, Pyataya Ordnya St., 65A	Ph. +7 (3812) 56-02-89, omsktraktor@mail.ru
Partner-Omsk, CJSC	Lumbering	644046, Omsk, Pushkina St., 133	Ph.: +7 (3812) 30-63-90, 51-14-78, sekretar@partner-omsk.ru, www.partner-omsk.ru
Riviera, Ltd.	Lumbering. Furniture production. Chipboard, plank timber and plywood manufacturing	644016, Omsk, Semirechenskaya St., 130	Ph.: +7 (3812) 55-41-21, rivera-omsk@mail.ru
SBM Group	Woodworking tools	644000, Omsk, Pyataya Linia St., 157A	Ph. +7 (3812) 53-20-81, omsk@siberia.sbm-group.com, www.sbm-group.com
Semirechenskaya Baza Snabzhenia, JSC (Enisey Corporation)	Woodworking tools. Abrasive equipment	644016, Omsk, Semirechenskaya St., 102	Ph.: +7 (3812) 55-03-60, 55-12-01, 55-12-05, info@enisey-servis.ru, www.enisey-servis.ru
Siberian-Italian Project, Ltd.	Kitchen furniture production	644031, Omsk, Zvyozdova St., 128	Ph.: +7 (3812) 36-91-99, 36-90-99, fomin@omsynet.ru
Siberian-Ural Energoremontnaya Company, CJSC	Lumbering. Wooden house building	644044, Omsk, 10 let Oktyabrya St., 219/4	Ph.: +7 (3812) 57-61-69, 57-94-15
Sibirskaya Lesopromyshlennaya Kompania, Ltd.	Glued and shelled veneer production	644901, Omsk, Beregovoy micro-district, Irtyskaya St., 1/A	Ph.: +7 (3812) 98-20-22, 98-20-48, sibleskom@mail.ru, www.lpk.planetacentr.ru
Sibirsky Instrument, Ltd.	Woodworking equipment: abrasive tools	644016, Omsk, Semirechenskaya St., 93A	Ph. +7 (3812) 55-42-44, sibirinstr@omskmail.ru
Sibstroyresursy, Ltd.	Timber-processing. Lumbering. Plywood production	644010, Omsk, Valikhanova St., 2	Ph. +7 (3812) 59-13-31
SPEC, Sibirskaya Promyshlennaya Energy Company	Woodworking. Board production	644043, Omsk, Scherbaneva St., 25	Ph. +7 (3812) 32-53-06
StankoKomplekt	Woodworking equipment	644010, Omsk, Uchebnaya St., 83	Ph.: +7 (3812) 53-13-98, 51-06-78, info@stanki.info, www.stanki.info
Stropan (Association of producers of modern construction materials)	Woodworking: production of facade boards and construction materials	644901, Omsk region, Kluchi settlement, Zavodskaya St., 1	Ph.: +7 (3812) 98-12-12, 98-12-21, mail@stropan.ru, www.stropan.ru
Tekhstroykontrakt, Ltd.	Timber logging equipment, spare parts. Hydraulic equipment	644092, Omsk, Perelyota St., 5, office 19	Ph. +7 (3812) 71-49-49, hitachi-omsk@omskmail.ru, www.t-s-c.ru
Vidi Art, Ltd.	Furniture production	644024, Omsk, Bukhgoltsa Square, 1A	Ph. +7 (3812) 27-29-28, vidiart@yandex.ru
Viktoria Mebel, Ltd.	Furniture production	644034, Omsk, 26 th Severnaya St., 13A	Ph. +7 (3812) 79-72-60, viktoria-mebel@mail.ru
West Siberian Agrarian Industrial Concern, Ltd.	Wooden house building	644065, Omsk, Neftezhavodskaya St., 38E	Ph. +7 (3812) 64-14-00
Zapsibkhleproduct, Ltd.	Timber logging. Trailers and semitrailers for timber transportation	644016, Omsk, Semirechenskaya St., 130	Ph.: +7 (3812) 55-15-17, 59-24-62, rinat@kenwor th -russia.ru, sibhleb@yandex.ru, www.kenwor th -russia.ru, www.truck-master.ru
Zavod Nestandartnogo Spetsialnogo Oborudovania, Ltd.	Woodworking tools	644000, Omsk, Kosmichesky Ave., 109A/2	Ph.: +7 (3812) 57-31-82, 58-63-20, nestorhco@rambler.ru



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THE TOMSK REGION – A GROUND FOR NEW TECHNOLOGIES

The vast, rich and boundless forests of Siberia, under which lie innumerable amounts of minerals and precious metals, have been given to the world by numerous great scholars of Russia. The level of science and education, despite the constant political instability, the complete lack of opportunity for social growth and communication restriction, has grown stably; and the region soon reached leading world positions in a number of scientific disciplines. The Tomsk region, located in the very heart of Siberia, is a region for the development of innovative technologies in the oil producing, chemical, nuclear and forest industries.

In the number of students per capita, the Tomsk region occupies one of the first places in the Russian Federation. The Tomsk State University, founded in 1844, became a center of scientific and economic growth in the region, and is now only behind the Moscow State University and the St. Petersburg State University. The administrative center of the Tomsk region, the city of Tomsk, is not only at present an experimental educational platform, on the basis of which it is planned to create a new Science town of the Russian Federation; it also lays claim to the title of one of the most promising technopolises of the country.

ROAD RAGE

The total area of the Tomsk region is 316,000 km². 1,077,000 people live in the region, 38% of whom have higher education, and 60% of whom live in the region center (over 500,000 inhabitants) and in the territory adjacent to it. The region borders on the north of the Tyumen region and the Khanty-Mansiysk Autonomous District (KMAD), the south of the Kemerovo and Novosibirsk region, the east of the Omsk region, and the west of the Krasnoyarsky krai.

One of the main obstacles in the way of the development of science, and accordingly the

most promising areas of industry, remains the problem of transport communication (the problem of forest roads). The natural resources (oil, gas and minerals) are concentrated in a territory of the region which is so far lacking in appropriate social and engineering infrastructure. Unlike other regions in West Siberia, the Tomsk region is geographically located in a zone of risk agriculture, and so a large percentage of agricultural production has to be imported. Nevertheless, the Tomsk region is a leader in dairy farming, and is even among the ten top regions in the country.

Besides Tomsk, the major industrial centers in the region include the city of Strezhevoy (42,900 people), Seversk (118,500 people), Asino (31,000 people), Kolpashevo (28,600 people), and Kedrovoy (2,600 people). The dislocation of inhabited localities (a total of 634 inhabited localities in 195 rural settlements) is in part owing to the geographical location of the central water route – the longest river in Russia, the Ob (5,410 km). The 'snowy' River Ob flows from the south to the north and branches out into right-bank and left-bank tributaries (the rivers Tom, Chulym, Ket, Tym, and the rivers Parabel and Vasyugan accordingly), which serve as important shipping routes for transportation of wood. The total length of automobile roads in the region is

Viktor Kress – Governor of the Tomsk region

According to the results by research Finance magazine (www.finansmag.ru) Viktor Kress occupies the tenth place in a rating of investment appeal of chapters of the RF subjects, having outstripped Moscow mayor Yury Luzhkov and the chapter of the Novosibirsk region Viktor Tolokonsky.

The success and achievements of 66 governors who have entered a post not later than January 1, 2007 were analyzed in this rating. The three leaders are: Valentina Matvienko (St. Petersburg), Oleg Korolyev (Lipetsk region) and Alexander Khloponin (Krasnoyarsky krai).

During the composing of the rating a number of parameters were taken into account. The business image of the governor, volume and dynamics of investments in the region for 2007 and the period from January till June 2008, volumes of housing construction, and presence on the territory of the subject of the Federation of a special economic zone were estimated as the basic criteria.





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small, and comes to 0.6 km per 1,000 hectares. Automobile roads with an asphalt surface link Tomsk, regional centers and inhabited localities of the south-east part of the region within a radius of approximately 170 km. The longest road of region significance with an asphalt surface is Tomsk-Kolpashevo (318 km). Additionally, the Tomsk-Bakchar road is used to transport wood, with a possible capacity of up to 1.2 million m³ of timber per year.

However, of the 4,469 km of automobile roads of general use, only 12% are classified as having good operating characteristics. Interregional road connections are also very poorly developed (at present there is only a connection with the Kemerovo and Novosibirsk regions, and also with KMAD).

The problem is that the cost of building 1 km of road is 3-4 million RF rubles. With this capital investment, felling becomes unprofitable for enterprises, and so since the early 1990s, forestry enterprises have not built a single kilometer of wood transportation roads with a hard surface. Timber carrying branches and spur roads, which are laid with the use of already existing transport routes, are of a temporary nature and cannot be seriously regarded as base structure-forming elements of the road network. However, the realization of a project to build a northern latitudinal automobile road in the Tomsk region will help to strengthen interregional transport connections; and additionally bring up to 3.6 million m³ of timber into the periodic yield of felling, part of which (around 2 million m³) may be used by the neighboring Khanty-Mansiysk region. The northern latitudinal automobile road should cross the Tomsk region from the south (crossing the famous Vasyugan swamps, the road area will occupy another 200 km), be linked to KMAD, and continue to Perm.

In connection with the formation of new centers for processing timber (for example, the village of Komsomolsk, with an output of up to 950 m³), the existing railway built in the Soviet years also does not meet modern requirements for carrying capacity. According to information from the West Siberian railway, 18,996 wagons with wood cargo were loaded and sent off in the Tomsk region in 2007. It is proposed that the loading volume on the Tomsk railway will come to 33,000 wagons by 2010, and up to 60-70,000 wagons by 2020. On the

existing railway branch of Tomsk – Bely Yar, three main centers of processing timber have been formed: Tomsk, Asino, and Bely Yar. The main 'wood traffic' is strategically directed from the station of Bely Yar towards Tomsk 1, Tomsk 2, and Tomsk freight station. At the station of Taiga (Kemerovo region), the Tomsk railway connects with the Trans-Siberian railway.

Wood-carrying transport routes are mainly winter roads and dirt roads which can only be used during the dry season. The length of wood-carrying roads with a track surface of concrete slabs is 158 km, and there are 70 km of narrow-gauge railways. The lack of a developed network of wood-carrying roads working all year round acts as an inhibiting factor in developing forest resources.

As the governor of the Tomsk region Viktor Kress said in an interview, the road network in the region as a whole is even weaker than in neighboring regions: 'We have fewer roads with a hard surface. We are well aware of the problem of our transport accessibility, so for example we are now actively working with KMAD. This means attracting funds to realize the project of the construction of the northern latitudinal road.' According to the head of the region Department of Construction and Architecture, Alexander Gusev, in 2008 it was planned to double funds for road construction from the region budget in comparison with 2007.

For a number of economic reasons that are characteristic of the development of the forestry industry in general for the country, the volumes of water transportation of wood have also dropped because of the cessation of loose timber floating on rivers which are used for fishing. The volume of timber rafting is insignificant. The length of navigational routes in the Tomsk region comes to 5,500 km.

The transportation of raw wood on tributaries of the Ob River is carried out by non-self-propelled barge platforms with a carrying capacity of 300-1,300 tonnes (tree-length materials and assortments). At present, control over the transportation of wood cargo along water routes of the Tomsk region is held by West Siberian River Lines, JSC (and its structural division Kolpashevsky River Port) and also Tomsk Shipping Company A00T. These organizations own the entire hydrological system on the main shipping rivers of the Tomsk region, and

determine the type and draft of barges and steam tugs.

FOREST ORGANISM

The rich 'cedar land' of Russia is located in the southeast section of the West Siberian plain on a territory that is 60% covered by forest and 40% by swamp. One of these swamps, Vasyuganskoe, is the largest swamp in the world (53,000 km²). One fifth of the entire regional territory consists of river valleys that are submerged in the taiga forestland. The main wood species are coniferous (pine, cedar, fir, and spruce) and deciduous (birch and aspen). The most promising forest zones are located in the basins of the Keta and Chulyma rivers, and also in the Alexandrovsky and Bakcharsky regions – depending on the development of transport infrastructure in these territories. The region occupies third place among regions of the Siberian Federal District by total supplies of wood.

The total supply of standing wood is assessed at 2.8 billion m³ (1.6 billion m³ of coniferous forests and 1.2 billion m³ of deciduous). In coniferous forests, cedar (48%) and pine (41%) predominate. In deciduous forests, birch (70%) and aspen (30%) predominate, and are the most accessible in the southern parts of the region by transport; but lacking in demand because of the lack of modern facilities for high-level processing. The level of utilization of the periodic yield, which currently comes to 29.3 million m³, unfortunately does not exceed 6-10% at present.

Pine and birch predominate among forest which can be utilized. In practically all forestry regions, apart from the Ob-Tomsk region, the supplies of mature and overmature forests comes to 60% of total supplies.

Forests and fields in the Tomsk region also demonstrate an abundance of non-timber plant resources: pine nuts, mushrooms, berries, sap, and also wild-growing drug raw materials. In recent years a new industry for the region has been developed for preparing and processing wild-growing herbs, which not only help to consolidate the social well-being of residents of remote, sparsely inhabited settlements of the region, but also the development of new channels of foreign economic activity. A large percentage of mushrooms and berries are exported to Europe and Asia, and interestingly enough the largest demand is not accounted for by edible boletus,

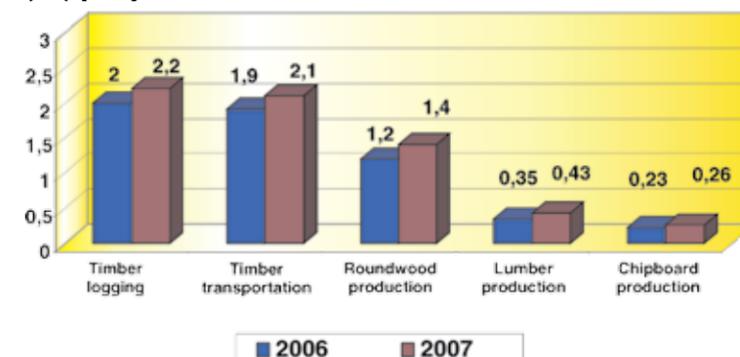
but by morels, which have found wide usage in pharmaceuticals and cooking.

**FROM HIGH SCHOOLS IN PROVINCES
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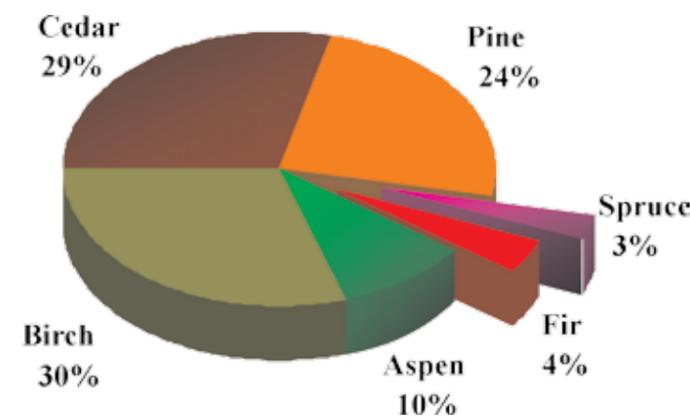
The territory of the region is inhabited by 80 ethnic groups, including representatives of 20 ethnic groups of 1 to 10 people. Ninety-one percent of the population of the Tomsk region is Russian, followed by Tatars, Ukrainians, Germans, Chuvash, Bashkirs, Belorussians and Jews. The regions primarily inhabited by the native population are Alexandrovsky, Karasoksky (Khanty), Verkhneketsky, Kargasoksky, Parabelsky, Kolpashevsky (Selkups) and Tegudetsky (Chulym Turki).

Currently, an innovative policy is being conducted in the region to introduce scientific technologies into the highest priority industries, such as the oil and gas, chemical, nuclear, forestry, and

Timber logging and transportation, production of basic forest outputs in the Tomsk Region, million cubic meters (m³) per year



Potential of forest resources in the Tomsk region





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machine construction industries. Therefore, for the development of the country as a whole, the Tomsk region, along with the Siberian Federal District, lays claim to special attention from the authorities and authority in circles of the 'world intelligentsia'...

The city of Tomsk was founded in 1604 by decree of Tsar Boris Godunov on the right bank of the river Tom. In 1804, by decree of Emperor Alexander I, the city was chosen as the administrative center of the new guberniya, which included the territory of the present-day Altai Krai, the Novosibirsk, Kemerovo, Tomsk regions and East Kazakhstan, and part of the Krasnoyarsky krai. In the mid-19th century, in connection with the opening of gold fields in the Mariinsky taiga and the development of gold mining, Tomsk became the center of a major gold-mining region, which enabled the flow of capital, and increased activity of Siberian merchants in all economic spheres.

Tomsk became a center of science and education at the end of the 19th century, from the moment the Imperial University was founded in 1878. The renowned Technological University was founded in 1900, the Siberian Commercial Academy (the first educational institute of this kind in Siberia) in 1901, and the Siberian Higher Women's Courses in 1910. Medical clinics were created at the university, and also the only bacteriological institute in Siberia. Besides institutes of higher education, there were also guberniya high schools, district academies, city parish academies, and private and parish schools. As the scientific role of Tomsk increased, the former trade significance gradually weakened.

At present in the administrative center of the Tomsk region, besides state universities (the classical university, the Polytechnic University, the Tomsk University of Automated Steering Systems and Radio Electronics, the Pedagogical University, the Architecture and Construction Academy, the Siberian Medical University, and the Higher Command Academy of Communications), the research potential is represented by 47 academic institutions. Of these, 11 scientific research institutes work within Tomsk universities. For example: the Siberian Physics and Technical Institute, the Scientific Research Institute of Applied Mathematics and Mechanics, the Scientific Research Institute of Biology and Biophysics, the Scientific Research Institute of Nuclear Physics,

the Scientific Research Institute of High Voltage, the Scientific Research Institute of Electronic Introscopy, and the Scientific Research Institute of Automation and Electromechanics. There are nine scientific research and construction and technological institutes that are part of the Tomsk scientific center of the Siberian branch of the Russian Academy of Sciences, including the Institute of Atmospheric Optics, the Institute of Oil Chemistry, the Institute of High-Current Electronics, the Institute of Natural Complexes Ecology, and many others. There are a total of six universities in Tomsk and around 100 scientific and technical organizations, including 38 scientific research establishments; 48 specialized scientific research institutes; and nine high-technology scientific development and production centers of atomic, defense and other fields. A special place in the scientific and education complex of Tomsk is held by the library of the Tomsk State University, which contains around 4 million volumes of all kinds of ancient and modern literature. The Siberian chemical combine founded in Tomsk in 1953 is one of the largest nuclear centers in the world.

Tomsk universities act as a kind of financial and demographic "vacuum" for the area, ensuring an inflow of young people and helping to overcome unfavorable demographic tendencies in the region. The region has unique scientific education and scientific technological complexes compared with other regions, and their innovative potential began to form over a century ago. And so at present the development of the region can be classified as innovative. Innovative technological centers are already functioning in Tomsk, which are part of the All-Russian Union of ITCs. The principle difference between an innovative technological center and other scientific research institutes is that this center is oriented towards the demands of the market, so the mobility and competitiveness of 'intellectual' goods is ensured from the beginning, while scientific research institutes must try to adapt their technological production to the market.

In the Tomsk region, the exported intellectual production, which means the scientific research that is carried out in accordance with foreign orders, does not yet bring in sizeable revenue compared with the other main industries (the summary volume of production export is around 3-5%), but demonstrates excellent growth rates. Innovative software, research equipment and

new genetic materials which the Tomsk region can offer on the intellectual market are primarily in demand in the East: in Korea, India, Malaysia, Taiwan; and of course China, with which economic ties are being actively developed in all the main industrial spheres. According to scientific studies by specialists from the Tomsk State University and the Tomsk State Polytechnic University, innovative business has discovered significant potential for development of production in the Tomsk region. Of particular note are the high growth rates in volume of production of small innovative enterprises – over 50% per year. The spheres of activity of innovative enterprises are primarily connected with the fifth technological form (biotechnology and medicine, new materials, and software), and so the production of small innovative enterprises are in principle competitive on the world market

in many areas.

In 2005, Viktor Kress made a proposal to President Vladimir Putin to create a Center of Nuclear Medicine in Tomsk, which would have the main functions of uniting medical knowledge, engineering expertise and nuclear technologies, and find new methods of treating cardiological and cancer patients. In February this year, the Tomsk region officially joined the list of four regions where these specialized medical institutes will be created.

Owing to the special scientific and technological potential of the Tomsk region, one can predict that in the future a unified 'scientific team' will be created here, which will solve the most urgent problems of the country in all the main fields of industry.

THE BOLSHOYE VASUGANSKOYE BOG – the biggest bog system in the Northern hemisphere – is located in the central West Siberian Plain and represents a geographical phenomenon in terms of an unusually vast area. The bog occupies a considerable area of the territory between the Ob and Irtysh rivers, stretching 550 km from west eastwards; 50-80 km from the north southwards at the axis; and up to 270 km if its tails are included. The area of the Bolshoye Vasuganskoye Bog exceeds 55,000 km², which approximates 2% of the aggregate area of all peat bogs of the planet.

The territory applying for inclusion into the World Heritage List includes the eastern part of the Bolshoye Vasuganskoye Bog within the borders of Vasugansky Complex Reserve with an area of 5,090.45 km².

A natural phenomenon, the Bolshoye Vasuganskoye Bog has no analogues in the world. It is unique in its natural composition, extremely whimsical landscape structure and special types of bog forests. Some of its unique features include: its location in the transition zone between subzone of small-leaved hardwoods and southern taiga; varying degrees of soil salinity and carbonates leaching; different starting periods of bog formation accounting for a great variety of vegetation and peat deposits; and substantial differences in the structures of the forest bog environments in its northern and southern margins. The bog has a reference geographic unit and a model of bogged-up wetlands in the southern part of Western Siberia forest zone.

Being a natural reserve for a wide range of bog and forest bog landscapes and related communities, populations and species of flora and fauna (including regionally and globally rare species), the Bolshoye Vasuganskoye Bog performs critical biospheric functions of carbon depositing in the peat bed and oxygen production from its vegetation. As a hydrographic water basin of big branches of the Ob and Irtysh rivers, the Bolshoye Vasuganskoye Bog is a zone of high environmental value in the territory of the West Siberian Plain. When it comes to biospheric importance and regional functions, the Bolshoye Vasuganskoye Bog is no less valuable than the world famous Central Amazonia Conservation Complex.





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FOREST SECTOR EMERGES FROM DEPRESSION

The forest industry of the Tomsk region – one of the key mechanisms for the functioning of the region's economy – is currently emerging from a depression. According to Tomsk region governor Viktor Kress, the region stably holds first place in the Siberian Federal District for its level of investments, housing construction and volumes of industrial production. And by its rates of growth of volume of investments in main capital, it is among the top 10 regions of the Russian Federation (8th place according to figures for the first half of 2007). Clearly, in the context of the latest change in the region's economy into 'innovative' channels, significant changes should take place in the forest sector. The yearly periodic yield of the region makes it possible to fell up to 29.3 million m³ of timber per year. At the same time, over 300 enterprises and organizations in the region fell and process timber in the region, and their production is exported to over 20 countries both near and far. Over the next 10 years it is planned to realize several major investment projects directed towards increasing volumes of raw wood, with a total cost of 60 billion RF rubles. What are the obstacles in the way of the development of the Tomsk region's forestry industry, and what will help to overcome these obstacles?

According to experts' assessments, the forest potential of the region makes it possible to develop 10 times more timber than regional enterprises currently process. The development of new facilities in priority areas of industry (forest, chemical and energy) and the resulting creation of new jobs in sparsely inhabited regions – these are the doctrinal directives of the innovative economic policy of the Tomsk region. The growth of production of the forestry industry in the Siberian Federal District is primarily provided by strengthening the wood-processing sector. The main directions of its development are tile and plywood production, and pulp-and-paper production. New enterprises, on which enormous funds have already been spent, must help to raise the level of felling and the wood-processing industry, and stimulate the development of the social infrastructure of remote regions far from the center. For example, the main mining enterprises in the Verkhneketsky region acquired new timber complexes in 2007. They have significantly raised the volume of felling (30.6% of the total volume of production of timber, i.e. in second place after the leading Pervomaisky region – 32.2%) thanks to the adoption of new equipment (primarily John Deere and Ponsse timber equipment), and have also solved the problem of using waste from wood-processing. The majority of village boiler rooms of the Verkhneketsky region are being switched to a new form of fuel – wood waste, which naturally has a beneficial effect on the social infrastructure. Nevertheless, the majority of enterprises in the felling industry as a whole are small forest farms with production facilities that are in terrible condition, and they require large capital investments for maximum effective modernization. However, the forecast for the forest industry emerging from the economic depression of the previous period, based on an innovative policy of the state and successfully realized major investment projects is a positive one.

FOREST POLICY

For effective restoration and investment consolidation of the forest sector in the Tomsk region, the comprehensive target government program 'Development of the Forestry industry of the Tomsk region for 2003-2010' was created in 2003. In order to realize it, the concept of regional forest policy was developed, according to which special regulations were approved that were directed towards regulating preparation of

pre-project and project documentation needed for the construction of wood-processing factories and the stable provision of forestry enterprises with forest resources.

As a result of the realization of the program, the total volume of financing, which comes to around 20 million RF rubles, the gross product of the industry should increase by 11 times, budget earnings by 6-7 times, the average salary in the forestry sphere by 2.7 times, and the total volume of investments in primary capital by 3-4 times (in comparison with 2005). Furthermore, there was a fourfold increase in the mass of profit from felling productions and the burden on the construction complex of the industry, and also the profitability of the forestry business. By 2010, payments to the budgets of all levels will increase by 6-7 times from the level of 2005. Of considerable importance is decree № 419 passed by the Russian Government on June 30, 2007 'On Priority Investment Projects in the Field of Forestry Development' which determines the procedure for preparation and examination of applications by commercial firms to have their investment projects included in the List of Priority Investment Projects in the Field of Forest Development, which falls within the jurisdiction of the Russian Ministry of Industry and Trade.

According to this document, one of the conditions required of investors is the confirmation of their own and attracted financial means of a sum not less than 300 million RF rubles and a confirmation of raw wood resources. Investors whose projects are included on this list receive the right to receive a forest division on a non-auction basis, and also receive preferences in the calculation of lease payment which is levied based on the delivery of timber (with a coefficient of 0.5) for the pay-off period. In connection with this, we may mention Law № 29-OZ of March 18, 2003 'On State Support of Investment Activity in the Tomsk region, according to which commercial organizations carrying out the realization of investment projects provide support in the form of a subsidized interest rate on attracted credit, lease payments, provision of budget loans and privileges on lease and tax on property; and also other forms of financial and non-financial support, including the provision of subventions, consultative and methodological assistance.

Another powerful tool in the mechanism for modernizing the forest industry of the



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Tomsk region is increasing export duties on unprocessed timber (codified by the Russian government decree 'On Changes to Russian Government Decree № 795 of December 23, 2006 on Individual Types of Unprocessed Timber' of February 8, 2007 № 75), and optimizing import duties and taxation on imported high-tech equipment which is not manufactured in Russia. As a result of the planned increase in duties (starting January 2009), the export of unprocessed timber may stop completely, which will at the same time reduce the level of customs duties on the export of processed wood products. All of this raises interest from foreigner importers in Russian assets, but primarily it enables the development of wood-processing enterprises on the internal regional market, where zero rates of export customs duties on production are established.

At present in the Tomsk region, the realization of major investment projects for creating new enterprises of the wood-processing industry is underway. The tasks of these projects not only include producing high-quality products of deep processing of timber and unification with felling enterprises of the region with the aim of strengthening the social infrastructure, but also the development of new market segments of the forestry industry such as the production of MDF, RBC, OSB and plywood. Experts believe that the demand for these goods on the domestic market will gradually increase. According to officials' forecasts, new factory complexes for producing boards and felling enterprises attached to them should see an increase in jobs, up to 1,200 at each complex.

'GOLDEN PROJECTS' UNDERWAY

In the northern industry hub of Tomsk, on the site of the former ZHBI-2 factory, a factory with an area of 43 hectares is being built for the production of medium-density fiberboard (MDF), with a capacity of 264,000 m³ per year. The investment project with a cost of around 6 billion RF rubles is being realized by **Partner-Tomsk LPK, Ltd.** (a daughter enterprise of Partner-Omsk Corporation) – an organization which was specially created in February 2006 to build a wood-processing combine to manufacture MDF. The combine's requirement of raw wood is around 650,000 m³ per year. Felling is carried out on the base of the existing daughter enterprise – Kurleksky LPK, Ltd. Over 10 companies are involved in the project. Financing is carried out

by the joint efforts of the Eurasian Development Bank, which signed a financial agreement as part of a syndicated credit on April 28, 2008, Nomos-Bank, JSC (Moscow) and the German export credit agency Hermes. The total volume of investments comes to 170 million Euros. Thanks to the use of the latest innovative technologies and high quality import equipment from the German company Dieffenbacher, the quality of boards manufactured should match the highest world standard. And although low-quality timber and wood chips will be used for the manufacture of MDF, it should have maintenance characteristics that are close to natural timber. It is planned to launch production in the first and second quarter of 2009, and full production capacity with a three-shift mode of work by May-June 2010. The MDF factory will be the basis for the development of an entire complex of forestry enterprises: a saw factory with a capacity of 80,000 m³ per year, a heat and energy plant, and lines for production of laminated parquet and OSB boards. By 2020, Partner Tomsk will contribute 4.5 billion RF rubles of tax payments to the regional budget.

Furthermore, the list of 'golden projects' in the Oblast includes the construction of a combine for the production of resin-bonded chipboard (RBC), with a capacity of 151,000 m³ per year in the village of Itatka in the Tomsk region. As part of the combine, factories will be built for the manufacture of RBC, matchsticks, multi-layer plywood, and also a sawmill. To provide the project with forest resources, **Investment Forestry Company, Ltd.** (the holding Investment Siberian Fuel Company, CJSC) signed agreements in 2006-2007 to lease forest districts on the territory of the Komsomolsky, Krivosheinsky, Pervomaisky, Baturinsky, Timiryazevsky and Tugansky forest farms with a yearly volume of felling of 502,300 m³. The production of RBC is planned on the basis of the forming and pressing line from the German firm Zimelkamp. It is planned to release the first production in 2009. The volume of investments is 1.13 billion RF rubles. The opening of board factories in the city of Tomsk and the village of Itatka in the Tomsk region will make it possible to process low-quality timber into a sound, liquid commodity, and consume approximately 1 million m³ of raw timber per year.

Among the important investment projects in the region are also the construction of a factory for producing large-format boards with a capacity

of 60,000 m³ per year in the city of Tomsk. The project with a cost of 950 million RF rubles is under the patronage of Tomlesdrev LPO, Ltd. The forest industry association Tomlesdrev is a complex of felling and wood-processing organizations which carry out a full cycle of production, from felling to the finished product, on a raw wood base in the Pervomaisky region. The dynamic development of **Tomlesdrev LPO, Ltd.** owes much to the purchase and use of foreign felling and wood-processing equipment, which is characteristic for major enterprises in the Tomsk region. In this case, the efficient equipment is made by the world famous American company John Deere. The volume of felling increased by 3.1 times from 2003-2007.

In the city of Asino, active construction is underway of a factory for producing maple boards from birch with a capacity of 5,000 m³ per year. The economic basis for the realization of this project by **RFS Trade, Ltd.** is the First Russian Chair Factory founded in 1932. Chairs and tables made of high-quality birch timber are manufactured at the factory on modern Italian equipment (a production capacity of 2,000 chairs per year). A factory for manufacturing maple board acts as a superstructure, and should stimulate the development of the furniture industry of the Tomsk region. The volume of investments is expected to come to 413 million RF rubles, and the release of the first

production is expected in 2010. In Asino on January 21, 2008, **Tomsk Plywood Plant, CJSC** for manufacturing birch board was officially opened, with a capacity of 20,000 m³ per year. The Tomsk Plywood Plant was founded in 2005 on the basis of the property complex for the manufacture of plywood in Asino. Along with the felling enterprises A-Les and Lesnoye Prychulymye, the Tomsk Plywood Plant is part of the Investlesprom Holding (Moscow). The company manufactures plywood and birch veneer, 60% of which will be exported to CIS countries and abroad.

In 2008, the **SibLesTrade, Ltd.** project (8.5 million RF rubles of financing) was realized successfully. A sawmill enterprise in the village of Krasny Yar in the Krivosheinsky region with a capacity of 15,000 m³ of sawn timber per year has been working stably for the last four years, and is significantly improving the social infrastructure of the village, creating new jobs and providing the population with sawn timber.

The region expects a significant economic and social effect from the realization of the 'golden projects' in the Tomsk forestry industry. So far everything is going well...

Prepared by O. Troskot

THE TALOVSKIYE CUPS

The Talovskiy Cups are located in the territory of the Tomsk Paleozoic outshoot. Cup-like limestone formations reach 1 meter in height and are composed of calcareous sinter (travertine). The cups were formed by lime-rich waters coming out to the land surface. The composition of cup walls includes bernessite, adding an earthy color to them. Bernessite is quite a rare mineral composed of a compound manganese oxide. This is the second confirmed deposit of bernessite in the territory of Russia. The Talovskiy Cups rest on a small overgrown opening in the forest occupying an area of about 300 m². All the cups are oval-shaped. There are four big and three (according to some sources — five) small cups. The biggest is about two meters in width, 3.5 meters in length and up to two meters deep. Its walls are half a meter thick; their thickness increases towards the bottom. The remaining three are from 0.5 to 1.5 m in diameter. The small cups are half a meter in diameter at the most. The cups keep growing at the expense of overflowing water which leaves the layers of salt. Each cup has a mouth to discharge excess water. The flowrate of the main spring is approximately 1 liter per second. One of the cups provides a 10-meter calcareous chute for the water running from the top down. The water is brackish, magnesian-calcareous and hydrocarbonate. Its temperature varies between +5°C to +6°C, so it doesn't freeze in the winter. The local population believes that this water helps to cure eye and skin diseases, as well as GIT problems.





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Tomsk Science Center, RAS

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Institute of Monitoring of Climatic and Ecological Systems, RAS

Director – Vladimir Alexeevich Krutikov

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E-mail post@imces.ru

Website www.imces.ru



Main Enterprises of the Tomsk Region

Name	Activity	Address	Contacts
ASV, CJSC	Manufacturing glued beams and houses from them. Wood moldings production	634024, Tomsk, Prichalnaya St., 2, building 22	Ph.: (3822) 66-07-66, 66-07-67, asv_asv2001@mail.ru, www.asv.su
Akvaline, Ltd.	Lumbering	634009, Tomsk, Rosy Luxemburg St., 62	Ph.: +7 (3822) 40-07-21, 40-07-44, aql@aql.ru
Altom, Ltd.	Lumbering	634026, Tomsk, Geroev Chubarovtsev St., 2	Ph. +7 (3822) 76-27-98, mk-44@yandex.ru
Apio Tom, CSJC	Wood sawing. Timber logging	634029, Tomsk, Frunze Ave., 16	Ph.: +7 (3822) 53-13-13, 52-88-05, tom@mail.tomsknet.ru
Atam, Ltd.	Lumbering	634021, Tomsk, Elizarovyh St., 65	Ph. +7 (3822) 24-96-33, atam@mail.tomsknet.ru
ATK, Ltd. (Weinig company representation in Siberia)	Woodworking equipment. Manufacturing and sale of tools	634041, Tomsk, Kartashova St., 25	Ph.: +7 (3822) 43-39-16, 43-33-57, westsibir@weinig.ru, www.weinig.ru
Avtomobilist, Ltd.	Timber logging	636840, Tomsk region, Asinovskiy district, Asino, Ivana Bueva St., 76	Ph. +7 (38241) 2-51-81
Beloyarskaya forest company, Ltd.	Timber logging. Manufacturing and sale of lumber	636500, Tomsk region, Verhneketsky district, Bely Yar village, Vokzalnaya St., 1B	Ph.: +7 (38258) 3-02-47, 2-30-39
Engineer, Ltd. (scientific production association)	Lumbering	634000, Tomsk, Vysotskogo St., 33, building 3	Ph.: +7 (3822) 63-38-45, 63-38-44, ingenert@yandex.ru
Finkoles, Ltd.	Wood molding and glued beam production	634063, Tomsk, Borovaya St., 5	Ph. +7 (3822) 73-60-20, finkoles@rambler.ru, www.finkoles.ru
Flying Dutchman, Ltd.	Lumbering	634000, Tomsk region, Predtechensk, Melooperativnaya St., 19	Ph.: +7 (3822) 92-38-94, 22-36-84
Forest company, Bedareva T.N., Private entrepreneur	Lumbering. Furniture production	634524, Tomsk region, Tomsky district, Kandinka village, Lesnaya St., 1	Ph. +7 (3822) 30-58-00, bedarevat@mail.ru
Forests of South, Ltd.	Sawn timber production. Windows and doors' production	634009, Tomsk, 1905 Lane, 5A, building 3	Ph.: +7 (3822) 51-14-87, 57-88-31, parkett@mail.ru, www.lesayuga.ru
Granit, Ltd.	Timber logging	636500, Tomsk region, Verhneketsky district, Bely Yar village, Chkalova St., 121	Ph.: +7 (38258) 2-26-09, +7 (906) 958-58-90
Grol, furniture mill, Ltd.	Furniture production	634000, Tomsk, Profsoyuznaya St., 2/4	Ph.: +7 (3822) 46-36-10, 46-36-20, 46-36-30, www.grol.ru
Home-master, Ltd.	Furniture production	634034, Tomsk, Vershinina St., 44	Ph.: +7 (3822) 48-81-07, 48-82-07, 48-82-28, office@home-master.ru
Investment Forestry Company, Ltd., Green Factory	Woodsawing. Chipboard and all-veneer plywood and splint production.	634050, Tomsk, Karla Marx St., 17/1	Ph.: +7 (3822) 51-50-88, 51-51-22, tna@istk.tomsk.ru, www.z-f.su
Itatsky Lestranshoz, Ltd.	Timber logging. Wood sawing	644540, Tomsk region, Tomsky district, Itatka village, Gagarina St., 79	Ph. +7 (3822) 95-93-45, andreef@mail.tomsknet.ru
Kasi, Ltd.	Wood-processing. Lumbering	634012, Tomsk, Kievskaya St., 86f, office 76	Ph.: +7 (3822) 21-40-44, 59-40-44, ka-si@mail.ru
Kazlesinvest-Tomsk, Ltd.	Wood sawing. Lumbering	634009, Tomsk, Sakko Lane, 4	Ph. +7 (3822) 40-81-24, info@rkLPK.ru
Kome-s, Ltd. (Russian schik)	Case furniture production	634026, Tomsk, Dobrolyubova Lane, 10	Ph.: +7 (3822) 40-35-04, 40-31-00, rshik@tomsk.ru, www.rshik.tomsk.ru
Kurleksky LPK, Ltd.	Wood-processing. Timber logging. Wood sawing	634029, Tomsk, Belinskogo St., 25	Ph.: +7 (3822) 56-51-28, 56-51-29, 56-51-30, info@klpk.ru, www.klpk.ru
Lesdorstroy, Ltd.	Lumbering	636516, Tomsk region, Verhneketsky district, Stepanovka village, Gagarina St., 24	Ph.: +7 (3822) 30-28-74, (38258) 25-1-55, polyden@mail.ru



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Name	Activity	Address	Contacts
Lesnoy Bazar, Ltd.	Wood molding production	634062, Tomsk, Sibirsky Highway, 100, office 25	Ph. +7 (3822) 22-46-28, lesas@sibmail.com
Lesnoye Prichulymye, JSC	Lumbering. Timber logging	636942, Tomsk region, Pervomaysky district, Komsomolsk village, Zheleznodorozhnaya St., 40	Ph.: +7 (38245) 4-21-42, 4-21-10, 26-55-49, les_ksk@rambler.ru, www.lesomir.ru
Ludenovskaya Mehanizirovannaya Colonna, Ltd.	Wood-processing. Timber logging	636516, Tomsk region, Verhneketsky district, Stepanovka village, Gagarina St., 24	Ph.: +7 (3822) 30-28-74, (38258) 2-51-55, polyden@mail.ru
Lukri, Ltd.	Wood moldings and millworks production. Glued beams house-building	634000, Tomsk, Gagarina St., 7, office 303	Ph.: +7 (3822) 51-12-23, 51-70-63, lukri2006@yandex.ru, www.lukri.ru
Major plus, Ltd.	Lumbering	634024, Tomsk, Profsoyuznaya St., 2/15	Ph. +7 (3822) 61-37-12, lpk1@yandex.ru
Optikom, Ltd.	Wood molding production	634040, Tomsk, Ivanovskogo St., 6	Ph.: +7 (3822) 63-37-50, 63-37-52, 63-37-54, optikom2001@mail.ru, www.optikom.tomsk.ru
Partner-Tomsk, LPK, JSC	Chipboard and MDF production	634050, Tomsk, Lenina St., 63	Ph. +7 (3822) 53-45-02
Parus trading house, Ltd.	Lumbering	634009, Tomsk, Dalne-Klyuchevskaya St., 15	Ph.: +7 (3822) 40-59-88, 40-77-94, parus@tspace.ru
RFS Trade, Ltd.	Furniture production	634028, Tomsk, Nakhimova St., 8\1	Ph. +7 (3822) 41-80-96
Risk, Ltd.	Wood-processing. Timber logging	636450, Tomsk region, Kolpashevsky district, Togur village, Dzerzhinskogo St., 5	Ph. +7 (38254) 5-77-94
Russian-Kazakh forestry company, Ltd.	Lumbering	634009, Tomsk, Sakko Lane, 4	Ph.: +7 (3822) 40-81-24, 40-56-81, 40-57-07, info@rklpk.ru
Sagos production association	Lumbering. Production of round log, lining boards, floor boards	634057, Tomsk, Semdesyat Devyatoi Gvardeyskoy Divizii St., 24	Ph. +7 (3822) 59-99-66, lpk@sagos.ru, www.sagos.ru
Sarovskoe, Ltd.	Timber logging	636431, Tomsk region, Kolpashevsky district, Bolshaya Sorovka village, Sovetskaya St., 2A	Ph. +7 (38254) 2-74-35
Severnaya, Ltd.	Timber logging	636911, Tomsk region, Teguldetsky district, Beregayevo village, Sovetskaya St., 5	Ph.: +7 (38246) 3-32-37, 3-32-30, severnayav@yandex.ru
Siberian forestry company, CJSC	Lumbering. Wood moldings, glued beams and furniture shields production	634029, Tomsk, Belinskogo St., 15, office 705	Ph. +7 (3822) 52-64-50, sibLPK@yandex.ru
Sibinkom, Ltd.	Wood-processing. Timber logging	634000, Tomsk, Pushkina St., 61	Ph.: +7 (3822) 23-00-20, 58-60-70, sibinkom@inbox.ru, www.sibinkom.ru
Sibintegra, CJSC	Wood-processing	634009, Tomsk, Rosy Luxemburg St., 39A	Ph.: +7 (3822) 51-05-89, 51-63-74, sibintegra@tomsk.ru, sibintegra.narod.ru
Sibirskaya Fanera, Ltd.	Plywood production	634840, Tomsk region, Asinsky district, Asino, Lenina St., 7A	Ph.: +7 (38241) 2-13-45, 2-27-86, fanerasibir@mail.ru
Sibles Trade, Ltd.	Timber logging. Wood sawing	636320, Tomsk region, Krivosheinsky district, Krasny Yar settlement, Nagornaya St., 9	Ph. +7 (3825) 13-16-65
Stankocenter, Ltd.	Woodworking equipment and tools	634009, Tomsk, Lenina St., 141	Ph. +7 (3822) 51-32-41, +7 (913) 824-02-20, grigg@sibmail.com
Stankokomplekt, Ltd.	Woodworking equipment and tools	634000, Tomsk, Elizarovyh St., 49, office 25	Ph.: +7 (3822) 54-08-51, 54-09-80, tomsk@stanki.info, www.stanki.info
Stefurak, private entrepreneur	Timber logging. Wood-sawing	636451, Tomsk region, Kolpashevsky district, Togur village, Korolyova St., 23	Ph. +7 (38254) 5-55-03, 5-53-16, Fax +7 (38254) 5-47-76

Name	Activity	Address	Contacts
Tarnaya Baza, Ltd.	Lumbering. Wood molding and tare production	634000, Tomsk, Michurina St., 108	Ph.: +7 (3822) 72-67-31, 67-88-41, sds12@yandex.ru
Tayga, Ltd. (forestry company)	Wood moldings and glued wood products producing. Euro floors	634049, Tomsk, Michurina St., 20, office 501	Ph.: +7 (3822) 66-93-10, 66-02-53, taiga-tomsk@yandex.ru, taiga.tomsk.ru
Tomlesdrev, LPO, Ltd.	Chipboard and wood molding production. Lumbering	634024, Tomsk, Vtoraya LPO village, 109/3	Ph. +7 (3822) 58-79-34, toml@mail.tomsknet.ru, www.tomlesdrev.ru
Tomsk Plywood Plant, CJSC	Plywood, MDF and chipboard production	634041, Tomsk, Komsomolsky Ave., 70, office 413	Ph.: +7 (3822) 56-43-30, 56-57-37
Tomskaya Lesopromyshlennaya Kampaniya, Ltd.	Timber logging	634024, Tomsk, Profsoyuznaya St., 2/15	Ph.: +7 (3822) 61-37-11, 24-92-36, lkk1@yandex.ru
Tomskaya Proizvodstvennaya Kompaniya, Ltd.	Lumbering. Wood molding production	634012, Tomsk, Shevchenko St., 53	Ph.: +7 (3822) 55-54-76, 55-55-45, 48-05-70, tpktomsk@mail.ru, www.tpk-tomsk.narod.ru
Tomsky Fanerny Dvor, Ltd.	Plywood production	634034, Tomsk, Bakunina St., 26, office 203	Ph. +7 (3822) 65-05-87, 65-05-83, tpd@liast.ru
TTO-Sibir, Ltd.	Wood-processing	634049, Tomsk, Pavlova St., 5, building 1	Ph.: +7 (3822) 61-31-75, 21-37-81, tto-sibir@mail.ru
Uzyen Les, Ltd.	Timber logging	636949, Tomsk region, Pervomaysky district, Uzyen village	Ph.: +7 (38245) 4-31-82, 4-31-32, 73-58-08, snf@oris.su
Verhneketsky LPK, JSC	Roundwood sawing. Lumbering. Antiseptic wood-processing	634041, Tomsk, Komsomolsky Ave., 66, office 20	Ph.: +7 (3822) 26-58-90, 26-55-49, forestgroup@mail.ru, www.vLPK.tomsk.ru
Visagehome Studio	Furniture: production and design. Elite décor and painting	634034, Tomsk, Belinskogo St., 50, office 26	Ph. +7 (905) 990-64-84, souznikk@rambler.ru, www.drevotom.boom.ru
Vitra trading house, Ltd.	Furniture production	634021, Tomsk, Frunze Ave., 166, office 515	Ph. +7 (3822) 52-37-57, vitra@vitra.tomsk.ru, www.vitra.tomsk.ru

ORGANIZERS The Union of Timber Merchants and Timber-Exporters
The Government of Nizhny Novgorod Region
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**SIBERIAN
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RegionKrasnoyarsky
KraiRepublic of
KhakassiaIrkutsk
RegionRepublic
of Buryatia**FAR EAST
FEDERAL DISTRICT**Republic
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(Yakutia)Khabarovsk
TerritoryPrimorye
Territory

THE NOVOSIBIRSK REGION – PROGRESSIVE CENTER OF RUSSIA

If you look at a map of Russia, the geographical center of the territory of this enormous country can be said to be Novosibirsk. This city lies at the intersection of all key transport routes, connecting the eastern and western part of Russia. The location of the city has provided an excellent base for the development of the region, and also consolidated the capital of Siberia as the center for progressive industry and higher science.

A LITTLE GEOGRAPHY

The Novosibirsk region is located in the southeastern part of Western Siberia, primarily in the interfluvial area of the Ob and the Irtysh. The territory of the region consists of a flat plain, and the foothills of the Salaisky mountain range are in the east. The territory is part of the Western Siberian economic region and the Siberian Federal District. The region contains 30 districts, 14 cities and 19 villages. Its area is 178,000 km².

The region borders the Omsk region to the west, the Tomsk region to the north, the Kemerovo region to the east, the Altai to the south, and Kazakhstan to the southwest. The main rivers in the region are the Ob and the Om. The distance from Novosibirsk to Moscow is 3,191 km.

As of early 2007, the population of the Novosibirsk region was 2,640,700, which is 13.5% of the population of the Siberian Federal District (third place) and 1.9% of the population of the Russian Federation (16th place). The population density is 15 people per km².

Novosibirsk is the third-largest city in the country by population (over 1.4 million residents as of 2007), and is the capital of the Siberian Federal District.

THREE WHEELS – INDUSTRY, SCIENCE AND AGRICULTURE

The economy of the region is characterized by a powerful processing industry and major agricultural production, with insignificant development of raw material industries. Over 80%

of the industry in the region is concentrated in Novosibirsk and the Novosibirsk rural region (the satellite cities of Berdsk and Iskitim). Novosibirsk has a powerful energy industry (around 15% of regional industrial production in 2007), consisting of four heating and electricity stations and the Novosibirsk Hydroelectric station. Eighty to ninety percent of the electricity consumed is produced within the territory. There are enterprises of ferrous and non-ferrous metals, various machine-building and metal-processing industries, developed production of construction materials, extensive light industry and a food industry. Novosibirsk factories, which service the military and industrial sectors and the atomic industry, are unique examples of their kind with special technology and highly qualified staff. Processing industries accounted for 72.2% of the region's economy in 2007.

Agricultural areas occupy 47% of the territory. Of federal importance is the cultivation of spring wheat (durum wheat in the southern steppe area of the region). Meat and dairy production (the region is one of the leaders in the production of butter) and poultry farming are also developed. The agrarian sector receives special attention from the region's administration. Today, as part of the transition period from a subsidized economy to an investment model of development, loans are issued for the purchase of agricultural machines, equipment and petroleum.

The region is among the leaders in Russian milk production. Dairy products from the Novosibirsk region are shipped to other Russian territories. Since the beginning of the year, there has been an 8% growth in milk production.

The specific situation with the raw material industries of the economy in the region is well illustrated by the state of the mining industry in the Novosibirsk region. Owing to the relative proximity of developed rich fields of coal and metals (Kuzbass), and oil and gas (Tomsky Sever), combined with the sound transport infrastructure (railroads and pipelines), the development of the indigenous mineral deposits was considered unpromising for a long time. In total there are 523 fields of various minerals in the Novosibirsk region's, of which only 83 are currently being exploited. Even in the 1990s, it was more profitable for the region's management to buy fuel in Kuzbass than to support its own mines. Among forms of calculations, there was also a specific barter: coal for butter. Owing to the extensively growing consumption of fuel and electricity, development of the oil and gas fields in the northern regions of the region began this decade. As a result of the active development of construction stone fields and, to a lesser extent, of oil and gas fields, the mining industry accounted for 10.5% in the industrial production of the region in 2007.

According to data from the Novosibirsk region administration, wood-processing production in the region dropped in 2006-2007 (a 5% drop of the index compared to 2005-2006).

The Trans-Siberian railway crosses the region from west to east. Novosibirsk is one of the most important transport hubs of the country: four railway lines, four federal highways, a large river port, and an international airport. The advantageous location at the crossroads of important transport lines, the comparatively favorable conditions of life and management, and the proximity of important raw materials are the foundations that led to the formation of the powerful industrial, agro-industrial and scientific potential in the Novosibirsk region. The scientific research sector of the region is large not

just for Siberia, but for the whole country. There are branches of three academies: the Russian Academy of Sciences, the Russian Academy of Agricultural Sciences, and the Russian Academy of Medical Sciences. The Vektor State Center of Virology and Biotechnology are also located here. There are 43 institutes of higher education in Novosibirsk.

According to Deputy Governor Vladimir Nikonov, the head of the department of strategic management and planning, 'the index of industrial production in the Novosibirsk region in the main types of economic activity in the first half of 2008 came to 111.4%, while the average figure in Russia was 105.8%!

The greatest increase can be seen in investments in primary capital. In the Novosibirsk region, which is not a raw materials region and does not have a large monopoly industry, the volume of investments grew by 45.5%, while the figure for Russia as a whole was 16.9%.

The general growth of development of the economy of the Novosibirsk region has favorably affected the growth of the real cash incomes of the population. In the first half of the year they grew by 17.4%, which is almost 10% more than the average for Russia. And while consumer prices have increased by 8.7% in Russia, in Novosibirsk the figure is 7.7%.

Thanks to the joint work of the region's administration and board of deputies, the Novosibirsk region has become a pioneer in reforming bodies of local self-administration. The region relies mainly on its own sources of income. In 2007, the share of tax receipts came to over 60% of the total budget earnings. The Fitch investment rating of the region is a long-term BB, the short term rating in foreign currency is B, and the national long-term rating is A+. The forecast for all long-term ratings is stable.

A. Okhotnikov



**SIBERIAN
FEDERAL DISTRICT**Omsk
RegionTomsk
RegionNovosibirsk
RegionKrasnoyarsky
KraiRepublic of
KhakassiaIrkutsk
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Buryatia**FAR EAST
FEDERAL DISTRICT**Republic
of Sakha
(Yakutia)Khabarovsk
TerritoryPrimorye
Territory

SOME REASONS NOT TO BE A FORESTRY REGION

Analysis of the Infrastructure

The Novosibirsk region is a Siberian region with an underdeveloped wood-processing industry in the Siberian Federal District. This situation is the result of several factors.



The historical and economic situation was such that after Novosibirsk was founded, it was supplied exclusively by Tomsk timber that was transported along the Ob River, as the territory of the present Tomsk region and its rich supplies of raw material and favorable conditions for transportation down the Ob was part of the Novosibirsk region until 1944.

The weather conditions also played a role. In 22 districts of the Novosibirsk region, steppe and forest-steppe landscapes predominate, and also in three districts the amount of woodland is above 35% with preconditions for serious industrial development. The total area of the forest reserves of the Novosibirsk region is around 5 million hectares. 2,606,000 hectares of this area are covered with forest. The percentage of woodland is equal to 24.5%. The total supply of timber of the main tree species is assessed at

278.9 million m³ – the lowest figure for the district, only comparable to the supplies of neighboring steppe regions of the Altai and the Omsk region. In comparison the forest resources of the Tomsk region are 10 times greater than those of the Novosibirsk region, and the Irkutsk forests are 20 times larger. Only in the Kolyvan region of the Novosibirsk region is there a lumber company which is significant for the local economy, while in other rural territories the agrarian sector dominates.

This is the species composition of forest land. Over 70% of Novosibirsk forests are deciduous. Dark coniferous forests are concentrated in the Kyshtovsky and Severny taiga regions. The profitability of processing and the liquidity of sawn materials of birch and aspen are nowadays lower than the figures for imported red timber, which are represented in the storage yards

and saw mills of the region. The area of the territory with coniferous species is 977,300 hectares (21.76% of forests). In the Soviet era, when every major trust had a logging division, Novosibirsk organizations preferred to do their logging in other regions. The Novosibirsk branch of State Cinema, for example, did its logging in the Kargasoksy region of the Tomsk region, while the Novosibirsk Chkalov Aircraft Building Factory had two logging enterprises near Bratsk.

Another factor is measures to protect the environment. Around 20% of the forest in the region are steppe, with separate areas (birch and aspen groves) and gardens (wind-protective strips of birch forest). Protecting forests by the Ob, another 20% of the total regional forest reserves, forced deputies in the Novosibirsk region council to prohibit the removal of round timber from the region starting from April 1, 2008.

The undeveloped peripheral transport infrastructure – the lack of and unsuitability of logging roads – is the factor, according to analysts, that for the last five years has scared away prospective investors of timber-processing in the region. Three years ago, Finnish investors announced their plans to develop Novosibirsk birch forests, which has drawn interest from German timber – processors. There have been reports in the regional press of the Swedish company IKEA's plans to organize the manufacture of furniture using Novosibirsk raw materials, closer to the sale market. Zapsiblesproekt, the most competent forest estimation department beyond the Urals, has confirmed that a letter was received from IKEA management in 2006 containing a proposal to calculate the forest resources of the Ubinsky region of the Novosibirsk region. But matters did not move any further. The neighboring Tomsk region and the Angar region, rich in elite timber, attracts much more attention from foreign forestry industry players, and most importantly, real foreign investments. An investor logging 'Siberian wood of European quality' in the Irkutsk region has the ability to compensate for expenses in transport delays or preparation of communications.

CHINA

However, investment in the forestry industry of the region still takes place, even if it is on a modest scale. On April 22, 2007, at a meeting with deputy governor Viktor Yurchenko, the deputy governor of the Chinese province of Heilungzyang, Sun

Yao, announced plans to take part in developing the timber reserves of the Novosibirsk region. Sun Yao was probably just officially confirming an already existing situation. Since last year 18 Chinese sawmills have been working in the territory of the Kolyvan region of the Novosibirsk region (Pikhtovka village). Loggers from China work according to a customary scheme – timber is loaded for export. The ban on exporting round timber that was introduced in March 2008 does not stop exporters: 'The Chinese now export rounded logs and beams, and are not particularly concerned about the quality of processing, they saw it a bit to make it look like sawn timber. They still won't get past the Manchzhurian saw mills'.

The lack of infrastructure, in its turn, aggravates the problem of illegal felling. It happens in places where heavy equipment can be brought in, frequently in areas designed for the local population. Furthermore, felling trees planted along roads make the transport lines more vulnerable to weather factors. Finally, while felling takes place in illicit places, the forest loses its quality that is designed for sanitary or industrial felling.

The periodic yield of the State forestry reserve of the region is currently assessed at 3.2 million m³ of timber per year.

NEW CODE, OLD PROBLEMS

After the new Forestry Code came into effect, the Novosibirsk forestry industry faced a time of change. Owing to gaps in legislation between the federal law that came into force and the additional regional legislation in the autumn of 2007, small forest operators were unable to receive felling licenses, and in winter 2007-2008 were unable to fell trees. As major forestry companies work mainly for export and are bound by long-term obligations of deliveries, it is unclear who will compensate for the deficit of raw materials, especially as the Novosibirsk retail market is mainly provided for by small local producers (sawn timber of birch and aspen) and coniferous species of Tomsk timber, also produced by small and medium entrepreneurs. The deficit of raw materials and the rise in prices on sawn timber connected with this will become particularly noticeable with the onset of the dacha season. For small forestry workers, there are two options for survival: to become dealers with large forest operators, or cooperation with leasers. It is unlikely that small forest distributors will



**SIBERIAN
FEDERAL DISTRICT**

**Omsk
Region**



have a level of service that suits holdings. The majority of forest trading points in Novosibirsk are ordinary sheds which have the sole merit of being in locations with considerable traffic, i.e. transport routes leading to the city and near markets. Elite sawn timber deserves better treatment.

**Tomsk
Region**



Leasers working within the bounds of the new Forest code are weighed down by new tasks for Russian forestry workers. Apart from fire-fighting, they are responsible for almost the entire range of care for the forest, including work on forest roads. Additionally, time was lost in holding the tender as the development of the majority of districts is only possible during winter, and bidding started in February. In the Novosibirsk region, even with the modest supply of lots, there were few people who wished to live for at least 10 years (according to the norms of renting) in the forest without the right to build capital constructions. For example, at the Cherepanovsky forest farm, bidding was only held for two of the four lots put up for tender because there were only single bidders. Here are descriptions of the lots in three forest farms: Maslyaninsky is forest-steppe with a taiga zone, bidding held on April 18; Chanovsky is forest-steppe; bidding held on April 28; Kolyvansky is mixed forest, bidding held on February 11). This information is published on the website of the Novosibirsk region administration.

**Novosibirsk
Region**



**Krasnoyarsky
Krai**



**Republic of
Khakassia**



**Irkutsk
Region**



**Republic of
Buryatia**



**FAR EAST
FEDERAL DISTRICT**

**Republic of Sakha
(Yakutia)**



**Khabarovsk
Territory**



**Primorye
Territory**



INVESTORS WANT TO, BUT CAN'T

At present, a total of 200 lots and divisions are up for tender in 15 districts of the region. Foreign investors include representatives of Belarus (Chernapovsky forest farm, bidding did not go ahead) and Germany (Suzunsky forest farm). Little is known so far about the joint Russian-German project. The Suzunsky leasers intend to process 500,000 m³ of forest for furniture, and are examining the possibility of manufacturing plywood, from which they intend to manufacture fuel bricks from the waste. An interesting investment project is planned at the Maslyaninsky forest farm – fir processing for the manufacture of furniture and processing the waste to make fir needle oil.

Another factor is of concern in the organization of the tenders. As the divisions are put up for tender with only a brief estimate description, investors evidently must draw conclusions for themselves about the profitability of the lot. As a

result only local residents who know the resource well, or new investors who are prepared to make large long-term investments in the regional market, can take part in the tender. However, according to Eduard Fyodorovich, the head of forest management in the Novosibirsk region, all the information on the tender lots can be obtained at the lease office of the region's Natural Resources Department. Among the information indicated in the specification of lots, there are also the telephone numbers of forest farms. Employees of regional forest farms may also provide information on the characteristics of the division or lot that is up for sale.

Eduard Fyodorovich says the primary task of the tender is to normalize the work of small lumber enterprises in the region. In a speech at a meeting of labor collectives on February 11, 2008, the governor of the Novosibirsk region V.A. Tolokonsky said that forestry was primarily a subsidiary element of the agrarian sector of the economy: 'By changing the basis of agricultural production, introducing new technologies in crop farming and stock breeding, we are changing the conditions of work and living in the village. However, the full and effective use of human potential, and development in rural areas, is impossible without diversifying the rural economy. This is why it is important for us to develop forestry and timber processing, and create processing and subsidiary productions, and use the recreational capabilities of the region's territory and other resources to ensure employment'.

However, in the summer of 2007, representatives of the legislative body of power gave a very skeptical assessment of the capabilities of rural processing of local timber concerning the amount of raw materials required to build a wooden house. The deputy head of the region council Yury Bugakov said: 'Where there is no red wood, 300 m³ is not enough for a house. If we build out of birch and aspen, the return of pure timber will not be 70-75%, but only 30%. According to experts' estimates, the industrial return of local coniferous timber is usually 50%, and 40% for birch.

Employees at the Department of Natural Resources and Nature Management of the Novosibirsk region believe that an important priority in taking part in the tender for a forest division is the guarantees of deep processing of raw materials announced by the investor. However, the high-tech processing of timber does not require mass participation at present, and is unlikely to be possible without

the training of rural specialists. So far deep processing does not combine well with the social mission of forestry in rural areas. In regions where wood-processing could become one of the main activities of the population, the Severny and Kyshtovsky regions, the local labor resources are also involved in the oil and gas sector, or road construction for gas enterprises – especially as deep processing of timber in its usual industrial version is also lacking at present in the region's center. In Novosibirsk, with a population of 1.5 million and a large furniture market, there is no production of plywood, wood fiberboard, chipboard or MDF. However, there is post-industry – high-tech finishing of sawn timber, manufacture of MDF constructions, furniture, and exotic composite materials (Kedrolit). Specifically, at present around a dozen Novosibirsk firms offer house construction of maple beams (the leaders are Stilvud, the pioneer of the segment, and EkoDom), and the recognized manufacture of furniture in Central Asia is the Berdsk firm Master and K.

During the process of the tender, it was discovered that the regional authorities were not happy with all the investors. Considerable interest in timber development in the Suzunsky region was shown by owners of sawmills in neighboring regions of the Altai. However, the prospect of taking wood for development to a neighboring region, and subsequently being deprived of revenue from taxation, did not seem attractive to the Novosibirsk authorities.

Despite significant participation of small business in developing the forests of the region, the future of the Novosibirsk forest industry lies with the major players. As an example, Novosibirsk forest workers give the company Forest Group, which at present not only has experience with reanimating and exploiting old Soviet forest farms, but also with creating new forest industry infrastructure. The company began working at the end of the 1990s in the Kargatsky region of the Novosibirsk region, and is currently acquiring lots in the neighboring Ubinsky and Kochenevsky regions.

THE ADVANTAGE OF HANDCRAFTS

In Novosibirsk, there are over 100 small and medium enterprises which provide furniture to the population of the region and the neighboring territories. Around half of stable Novosibirsk furniture companies are located on Stantsionnaya Street, an industrial zone with convenient transport infrastructure. The majority of furniture

**Rented forest lots' description according to 3 forestry districts:
Maslyaninsky, Chanovsky, and Kolyvansky**

Lot	Location within the forest division. Maslyaninsky forest district	Size of forest division, hectares	Volume of forest resources to be logged, m ³		Initial price of auction piece, RF rubles	Sum of deposit, RF rubles
			Total	Including Coniferous Deciduous		
Maslyaninsky forest division № 1						
1	Qu. 25	1.4	269	269	18,520	1,850
2	Qu. 16	3.0	748	748	48,250	4,830
3	Qu. 77	4.0	1,177		1,177	27,319
4	Qu. 63	3.1	461		461	7,105
5	Qu. 134	0.9	89		89	2,092
Elbansky forest division						
6	Qu. 109	11.0	2,785		2,785	34,355
7	Qu. 109	3.7	466		466	6,581
8	Qu. 74	28.0	4,591	4,591	330,999	33,000
Borkovsky forest division						
9	Qu. 90	12.4	1,658		1,658	59,434
10	Qu. 13	3.7	375		375	4,264
11	Qu. 28	3.1	188		188	1,263
12	Qu. 14	1.6	330		330	6,951
Maslyaninsky forest division № 2						
13	Qu. 82	3.8	555		555	17,449
14	Qu. 12	3.9	635		635	17,540
15	Qu. 64	2.3	270		270	14,586
16	Qu. 55	4.4	538		538	24,905
17	Qu. 62	3.4	488		488	15,047
18	Qu. 14	1.4	200		200	6,797
19	Qu. 17	1.9	340		340	5,633
20	Qu. 1	1.9	382		382	13,038
21	Qu. 10	6.7	685		685	14,240
22	Qu. 1	1.8	270		270	7,312
23	Qu. 49	1.7	241		241	2,536
28	Qu. 51	1.9	213		213	13,160
Dubrovsky forest division						
24	Qu. 77	29.0	3,848	3,848	196,399	19,640
25	Qu. 93	1.3	133		133	2,085
26	Qu. 15	4.0	708	708	29,542	2,950
27	Qu. 15	4.0	577	577	26,709	2,670

Lot	Location within the forest division. Chanovsky forest district	Size of forest division, hectares	Volume of forest resources to be logged, m ³		Initial price of auction piece, RF rubles	Sum of deposit, RF rubles
			Total	Including Coniferous Deciduous		
1	Qu. 92	5.5	534		534	1,420
2	Qu. 115	4.1	506		506	4,073
3	Qu. 50, 50, 10	6.0	277		277	3,701

Lot	Location within the forest division. Kolyvansky forest district	Size of forest division, hectares	Volume of forest resources to be logged, m ³		Initial price of auction piece, RF rubles	Sum of deposit, RF rubles
			Total	Including Coniferous Deciduous		
Shegarsky forest district						
1	Qu. 103 d1	6.0	1,200	39,383	3,938	18,520
2	Qu. 103 d2	3.4	680	20,820	2,082	
3	Qu. 135 d1	32.0	5,120	193,380	19,338	
Pikhtovsky forest district						
4	Qu. 89 d1	1.7	170	10,064	1,006	

**SIBERIAN
FEDERAL DISTRICT****Omsk
Region**

producers in Novosibirsk are oriented towards the economy segment, and in fighting large federal players, regional operators have offered a premium service – a significant variation in construction and design, and personal interest in working with clients.

**Tomsk
Region****Novosibirsk
Region****Krasnoyarsky
Krai****Republic of
Khakassia****Irkutsk
Region****Republic
of Buryatia****FAR EAST
FEDERAL DISTRICT****Republic
of Sakha
(Yakutia)****Khabarovsk
Territory****Primorye
Territory****THE DIRECTION OF DEVELOPMENT FOR
THE NOVOSIBIRSK FORESTRY INDUSTRY**

Lumberman Sergei Vladimirov, an economist with great experience in innovation projects, doubts the prospects for creating a major wood-processing enterprise in the Novosibirsk region: 'The supplies of birch wood in the region are not that large. There is little commercial timber near the cities, there are many sick trees, and it is not profitable to transport them from long distances. Generally, the quality of Novosibirsk wood is such that one can only build a factory for processing low-quality timber here, if we're talking about a large enterprise. The wood can be pulverized and made into boards'. Sergei Vladimirov links the weak investment activity of western lumbermen with a realistic assessment of the quality of raw materials. Novosibirsk wood requires attentive and careful treatment at all stages, from felling to transformation into materials and items, and only small local wood-processing enterprises are capable of this painstaking work.

Good logistics and the proximity of markets of the Central Asian republics make it possible to export Novosibirsk wood outside the region: 'We sent birch to plywood plants in Maikop, the Perm region, and the Voinovsky plant (Tyumen region)', – says lumberman Sergei Vladimirov. – 'There was another option – we sent birch planks to Uzbekistan. The climate there is dry, and if the birch is coated it can be used in house construction. But there is competition there with Kazakh wood. It is closer for them, and they only have one border to cross'. Wood export only accounted for 2.9% of exports from the Novosibirsk region in 2007, including the re-export of Tomsk raw materials. In comparison, the production of Novosibirsk machine building accounted for 8.8% of export that year. Sawn timber predominated in the export structure of timber. The amount of export of round timber, according to data from the Novosibirsk customs, was 0.39% of the total export of the region in 2007. In the first quarter of 2008, the percentage of export of timber and wood-processing production only came to 2.6% of regional export.

Vladimirov's plans include felling mixed wood in the Tomsk region. Tomsk lumbermen concentrate on felling ephedra, and frequently see birch and aspen as a hindrance to business. It is quite probable that besides logistics, high-tech development of non-core resources of export felling companies (timber of deciduous species and forest thinners) is one option for the growth of the Novosibirsk forest industry.

On July 14, 2008, a commission was created to develop the forest plan and the forestry regulations of forest farms in the Novosibirsk region. An appropriate decree was signed by Governor Viktor Tolokonsky. The main tasks of the commission are to examine the main regulations of the forest plan of the Novosibirsk region and the forestry regulations of forest farms in the region which ensure the creation on a modern technological base of felling and processing facilities, the forest infrastructure, the multi-purpose rational use of the forests of the Novosibirsk region; their conservation and protection; an examination of the proposals of bodies of local self-government in the Novosibirsk region on the use of forests on the territory of regions; opening enterprises for processing timber, forest infrastructure, and developing recommendations for their inclusion in the forest plan of the Novosibirsk region; and forestry regulations for forest farms on the territory of according regions. The commission is also responsible for analyzing the main regulations of the forest plan of the Novosibirsk region and forestry regulations of forest farms for compliance with norms, developing recommendations on making changes and amendments to their contents, and developing recommendations on providing forest divisions for felling timber on the basis of rent agreements.

By decree of the governor, the bodies of local self-government of the Novosibirsk region have been given a recommendation to create commissions for forest usage, development of wood-processing and forest infrastructure on the territories of municipal formations; to present by August 15, 2008 the head of the commission with proposals for use of forests, development of wood-processing and forest infrastructure on the territories of appropriate municipal formations in the period until 2018; and to include them in the forest plan of the Novosibirsk region and the forestry regulations of forest farms.

*A. Okhotnikov***MAIN PLAYERS OF
REGIONAL SIGNIFICANCE**

Although the forestry industry does not occupy a leading position in the Novosibirsk region, there is a group of enterprises on the market which work actively in the wood-processing sphere.

Primarily small and middle businesses are developing in this industry. Fast growth has been seen in recent years in wooden house construction. And delivery of timber, processing and work on the sawn timber market is, for objective regional reasons, not the strongest side of the region's economy. But still there are quite a lot of firms and enterprises that are currently working and developing which have not only mastered the forestry industry, but have good economic results. We will give a brief outline of the largest of them.

Stilvud, JSC is a certified producer of wooden glued constructions that has been working on the Siberian market for over four years. The production of the enterprise includes bent and straight construction beams, glued profiled wall beams for cottage construction, casing elements for monolithic house construction, and power floors (floor slabs). Stilvud carries out the full cycle of work in manufacturing houses from glued timber. The geography of sales of the enterprise covers the Moscow region, the Far East, Kazakhstan, Ukraine, Germany, Austria, Mongolia, Kyrgyzstan, the Kemerovo and Tomsk regions, and the Krasnoyarsky kraï.

The trading company **Minnesko Novosibirsk, CJSC** exports round timber and sawn timber to Japan, China, Korea and Europe. The main wood species that the company supplies are Angar pine and Siberian larch. Minnesko Novosibirsk was created in 1997, and is part of the MS United, Ltd. company group (MS United, Ltd. is located in London). The main market for Minnesko is Japan. Minnesko Novosibirsk supplies high-quality sawn timber from Siberian larch to Europe. The company exports round timber to China, Turkey and Korea. In 2006, Minnesko Novosibirsk began supplying sawn timber of coniferous species to the markets of Egypt and Israel. On the domestic market, Minnesko Novosibirsk primarily sells low-grade timber, including timber for pulp-and-paper mills.

The Sibles group of companies has existed on the market since 2000. The main areas of work are the

manufacturing of glued wall beams, house sets, and bathhouses made of pine that grows in the West Siberian region. At present, enterprises in the group manufacture 400-500 m³ of beams every month, 90% of which are exported. Sibles group construction materials are used in Kazakhstan resorts (Medeo and Chimbulak). The advantageous location of production – in Novosibirsk, the center of Russia – makes it possible to minimize the delivery expenses of the product to the consumer. Their own railway lines make it possible to load large amounts of production in both wagons and containers. Sibles manufactures different types of glued beams, and fitting items of glued timber: wooden boxes, doors, stairs, stringboard, floorboards and many other things.

Domostroi – Mangusta, JSC was founded in 2005. The company manufactures and delivers glued beams for construction and window production.

Kolyvan Forestry Company, JSC was founded in 1993 on the basis of the regional timber enterprise, and has existed with its present name since 2005. It works with local raw materials, and processes mixed wood into sawn timber and construction and joining materials. The company is a unique rural enterprise in the region which is able to compete successfully in the timber-processing sphere.

The Master and K, group of companies, a member of the KSK association of firms, is one of the leading suppliers of decorative MDF panels and items for furniture production, and a manufacturer with 10 years of experience. Master and K accounts for 25% of the market of decorative MDF panels in Russia and over 50% in the Asian part of the country. All of the production by Master and K is made using new technology and German equipment. The geography of sales of production with the Master and K brand covers all the regions of Russia, and also Kazakhstan, Kyrgyzstan, Uzbekistan, Afghanistan and China.

A. Okhotnikov



**SIBERIAN
FEDERAL DISTRICT**

**Omsk
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**Tomsk
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**Novosibirsk
Region**



**Krasnoyarsky
Krai**



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**Irkutsk
Region**



**Republic of
Buryatia**



**FAR EAST
FEDERAL DISTRICT**

**Republic
of Sakha
(Yakutia)**



**Khabarovsk
Territory**



**Primorye
Territory**



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Conservation, GBU NSO**

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Main Enterprises of the Novosibirsk Region

Name	Activity	Address	Contacts
Afghan-Stroi, Ltd.	Woodworking	630075, Novosibirsk, Bogdana Khmel'nitskogo St., 42	Ph. +7 (383) 271-86-72, asservis@list.ru
Alfasib, Ltd.	Furniture production	630027, Novosibirsk, Dunaevskogo St., 29	Ph. +7 (383) 274-14-15
Alkos-Komfort, Ltd.	Furniture production	630049, Novosibirsk, Krasny Ave., 165, office 6	Ph. +7 (383) 301-00-01, alkos-komfort@list.ru, www.alkos-komfort.ru
Argo, SK, Ltd.	Furniture production	630024, Novosibirsk, Vatutina St., 40, office 5	Ph. +7 (383) 361-18-72, argo-sk@ngs.ru
Bautex (representation in Novosibirsk)	Woodworking equipment: molded beam production lines. Woodworking tools. Equipment for furniture production (windows and doors)	630090, Novosibirsk, Nikolaeva St., 16	Ph.: +7 (383) 330-99-50, 330-69-99, bautex@nov.net, www.bautex.net
Bolshevik Plant, JSC	Woodworking: production and montage of sash pulley and door blocks	630083, Novosibirsk, Vodoprovodnaya St., 1A	Ph.: +7 (3832) 69-48-11, 69-48-22, 69-48-66, 69-48-33
Cabinet, Ltd.	Furniture production: school furniture	630015, Novosibirsk, Gogolya St., 204B	Ph. +7 (383) 278-00-11, bv-kabinet@yandex.ru, www.bvk.ru
Coupe, Ltd.	Furniture production	630049, Novosibirsk, Galuschaka St., 2A, office 316/1	Ph. +7 (383) 292-60-42, mail@coupe.com.ru, www.coupe.com.ru
Darko, Ltd.	Furniture production: making procurements	630108, Novosibirsk, Stantsionnaya St., 38	Ph. +7 (383) 300-03-59, darko@darkoplit.ru
Dennica, Ltd.	Furniture production	630071, Novosibirsk, Stantsionnaya St., 78	Ph. +7 (383) 300-03-59, office@denica.ru, www.denica.ru
Derevyannie Stroitelnie Tekhnologii	Wooden house construction	630099, Novosibirsk, Chapygina St., 1 office 18	Ph. +7 (383) 227-19-04, derevo9@yandex.ru, www.derevo.websib.ru
Divanovy Brothers, MF	Furniture production: case furniture	630108, Novosibirsk, Stantsionnaya St., 30A	Ph. +7 (383) 350-81-74, bratdiv_olga@ngs.ru, www.mebeldivanov.ru

Name	Activity	Address	Contacts
East Gate, Ltd.	Woodworking equipment	633011, Novosibirsk, Popova St., 11, office 102	Ph. +7 (383) 412-97-77, info@eastgate.ru, www.eastgate.ru
Ecodom, Factory plant	Wooden house construction from molded beams	630534, Novosibirsk region, Mochische village, Shosseynaya St., 21	Ph. +7 (383) 294-58-55, ecodom@zmail.ru, www.ecodomnsk.ru
Elan, Ltd.	Furniture production: making procurements	630054, Novosibirsk, Serafimovicha St., 2/1, building 2	Ph.+7 (383) 263-17-10, elan-ds@online.nsk.su
Elema-N, CJSC	Furniture production: making procurements. Furniture for children	630051, Novosibirsk, PO Box 121	Ph. +7 (383) 279-21-62, info@elema-n.ru, www.elema-n.ru
Emerald Forest, Ltd.	Woodworking equipment	630501, Novosibirsk region, Krasnoobsk village, Economy Institute (SibNIIASH), office 702	Ph.: +7 (3832) 48-14-77, 48-54-87, 48-43-35, 48-36-94, info@emeraldforest.ru, www.emeraldforest.ru
Everything for Office and Cabinet, Ltd.	Furniture production: furniture for office	630007, Novosibirsk, Kommunisticheskaya St., 45	Ph. +7 (383) 291-99-54, vdoik@mail.ru, www.vdoik.ru
Evrostroykomplekt, Ltd.	Furniture production: making procurements. Partition doors manufacturing	633011, Novosibirsk region, Berdsk, Lineinaya St., 5/17	Ph. +7 (38341) 2-45-29, esk@berdsk.ru, www.esk-nsk.ru
Ezhva-Sibir, Ltd.	Furniture production: making procurements	630088, Novosibirsk, Petukhova St., 35A, building 1, PO Box 3	Ph. +7 (383) 342-05-45, ezhva-sibir@mail.ru
Fenek, Ltd.	Furniture production	630090, Novosibirsk, Prospect of Koptyug Academician, 4, office 150-152	Ph. +7 (383) 333-37-90, feneknsk@yandex.ru, www.feneknsk.narod.ru
Festina, Furniture Factory	Furniture production	630049, Novosibirsk, Galuschaka St., 1A	Ph. +7 (383) 230-18-71, mail@festina-home.com, www.festina-home.com
Grandstankotrading, Ltd.	Woodworking equipment and tools	630110, Novosibirsk, Bogdana Khmel'nitskogo St., 71, office 333	Ph.: +7 (383) 291-64-33, 271-46-3, 271-48-40, 29164433@mail.ru, www.gst-stanki.ru
Ita-Sibir	Woodworking equipment	630009, Novosibirsk, Dobrolyubova St., 16	Ph. +7 (383) 266-82-43, info@itasib.ru, www.itasib.ru
Kami-Sibir, Ltd.	Production and distribution of woodworking equipment	630015, Novosibirsk region, Novosibirsk, Gogolya St., 204A	Ph.+7 (383) 279-77-94, rejmsus@mail.ru, www.stanki.ru
Kedr, JSC	Wood sawing equipment. Powersaw benches: production, distribution, service	630052, Novosibirsk, Arkhonsky Lane, 1	Ph. +7 (383) 303-12-82, kedrnsk@rambler.ru, www.pilorama-kedr.ru
Kentavr-invest, Ltd.	Furniture production	630077, Novosibirsk, Kostycheva St., 74	Ph. +7 (383) 353-24-99, Kentavr-invest@mbit.ru, www.komplekt-nsk.ru
Kolyvan Forest Company, JSC	Timber-processing. Woodworking. Timber logging	633160, Novosibirsk region, Kolyvansky district, Kolyvan village, Revolutsii Ave., 92	Ph. +7 (383) 214-96-10
Komplektatsiya, CJSC	Furniture production: doors, euro windows	630052, Novosibirsk, Tolmachevskaya St., 45/5	Ph. +7 (383) 299-59-86, komplet-nsk@mail.ru, www.komplekt-nsk.ru
Korel, CJSC	Wooden house-building, wooden construction	630007, Novosibirsk, Gogolya St., 42	Ph.: +7 (383) 299-78-90, 289-29-40, zao-korel@mail.ru, www.zao-korel.ru
Lamitex, Ltd.	Furniture production. Accessories manufacturing	630088, Novosibirsk, Sibiryakov-Gvardeyev St., 49/3, office 21	Ph.+7 (383) 212-00-07, sales@lamitex.ru, www.lamitex.ru
Largos, Ltd.	Trade: office furniture	630041, Novosibirsk, Vtoraya Stantsionnaya St., 30	Ph. +7 (383) 292-79-28, largos@list.ru, www.largos2.narod.ru
Lesplit, Ltd.	Furniture production: making procurements	630017, Novosibirsk, B. Botkova St., 194/3	Ph. +7 (383) 291-39-81, lesplit@cn.ru
Lessnabsbyt, Ltd.	Wood sawing equipment	630041, Novosibirsk, Vtoraya Stantsionnaya St., 38/1	Ph. +7 (3832) 41-33-68, 45-88-16, lessnab@ktk.ru
Lesstroidvor, Ltd.	Woodworking equipment and tools	630084, Novosibirsk, Aviastroitelei St., 30	Ph.: +7 (383) 271-77-99, 349-87-98, sosna-78@mail.ru
Lexx-Mebel, Ltd.	Furniture production	630010, Novosibirsk, Geologicheskaya St., 24	Ph.: +7 (383) 264-22-50, 264-19-27, info@lexx-mebel.ru, www.lexx-mebel.ru



**SIBERIAN
FEDERAL DISTRICT**

**Omsk
Region**



**Tomsk
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**Novosibirsk
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**FAR EAST
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**Republic
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(Yakutia)**



**Khabarovsk
Territory**



**Primorye
Territory**



Name	Activity	Address	Contacts
Mangusta Holding, Ltd. (industrial base)	Glued beam's production	630055, Novosibirsk, Stroitelei St., 25	Ph.: +7 (383) 330-38-88, 332-67-32, mangusta.korolev@mail.ru, www.mangusta.ru
Master & K, Ltd.	Furniture production	633010, Novosibirsk region, Berdsk, Lenina St., 89/6	Ph.: +7 (383) 412-75-97, 212-55-47, office@masterk.ru
Mebel'naya Manufaktura, Ltd.	Furniture production: upholstered furniture	630039, Novosibirsk, Nikitina St., 100, office 1	Ph. +7 (383) 212-49-10, www.mebel.sib.ru
Mefa, Ltd.	Furniture production: cabinet-type furniture	630088, Novosibirsk, Sibiryakov-Gvardeitsev St., 49A, office 301	Ph. +7 (383) 344-76-49, mefa@bk.ru, www.mefa.ru
Merkus, Furniture	Furniture production: upholstered case furniture	630015, Novosibirsk, Kombinatskaya St., 3A	Ph. +7 (383) 279-97-75, merkus_m@gcom.ru, www.merkusm.ru
Minnesko Novosibirsk, CJSC	Timber logging. Woodworking.	630055, Novosibirsk, Musy Jhalilya St., 13	Ph.: +7 (383) 316-56-44, 332-01-45
Mission, Ltd.	Furniture production: case furniture	630028, Novosibirsk, Nizhegorodskaya St., 205	Ph. +7 (383) 344-98-93, missia2004@yandex.ru, www.missia2002.ru
Nois, Ltd.	Furniture production	630088, Novosibirsk, Sibiryakov-Gvardeitsev St., 49A, office 303	Ph. +7 (383) 210-22-87, nois@nois.nsk.su, www.nois.nsk.su
Novokor, Ltd.	Furniture production: office and hotel furniture	630110, Novosibirsk, Bogdana Khmel'nitskogo St., 90, building 1	Ph. +7 (383) 274-00-91, novokor07@mail.ru, www.novokorsib.ru
Novosibirsk Mill, DVPO	Lumbering: MDF and chipboard production	630088, Novosibirsk, Sibiryakov-Gvardeitsev St., 49A	Ph. +7 (383) 354-13-54, info@zavoddvpo.ru, www.zavoddvpo.ru
Novosibirskaya Mebel, JSC	Furniture production	630007, Novosibirsk, Sibiryakov-Gvardeitsev St., 49A/4, PO Box 250	Ph.+7 (383) 344-99-26, nmb@mail.ru, www.nmb.narod.ru
Pride, Ltd.	Furniture production for educational institutions	630028, Novosibirsk, Nizhegorodskaya St., 241, office 215	Ph.+7 (383) 262-19-96, um@praid.ru, www.praid.ru
Prommash, Ltd.	Woodworking equipment. Lumbering	630088, Novosibirsk, Sibiryakov-Gvardeitsev St., 51/1, office 206	Ph.: +7 (383) 342-55-04, 362-03-91, sibstans@mail.ru, www.prommashplus.ru
Prommebel, Ltd.	Furniture production	630024, Novosibirsk, Mira St., 62/8	Ph. +7 (383) 347-57-66
Rodan	Woodworking equipment and tools. Production and trade of band saws, power saw benches, round saws, circular blade saws, cutter-grinding machines and turning benches	630058, Novosibirsk, Russkaya St., 39, office 215	Ph.: +7 (3832) 92-23-91, 39-91-66, info@rodan.ru, www.rodan.ru
Rosdrevmash, PO, Ltd.	Woodworking equipment: band saws, powersaw benches	630071, Novosibirsk, Stantsionnaya St., 60/1	Ph.: +7 (383) 212-97-77, 360-05-77, pilorama1@bk.ru, www.pilorama1.ru
Saan-Design, Ltd.	Furniture production	630041, Novosibirsk, Vtoraya Stantsionnaya St., 30/5	Ph.+7 (383) 350-09-89, saandiz@mail.ru, www.saandiz.ru
SBT, Ltd.	Woodworking equipment and tools	630004, Novosibirsk, Cheluskintsev St., 14/2, office 312	Ph. +7 (383) 201-04-50, sbt@sbtnsk.ru, www.sbtnsk.ru
Sibir, Furniture Factory	Furniture production	630024, Novosibirsk, Betonnyaya St., 6	Ph. +7 (383) 353-57-52, stanki@mfsibir.ru
Sibirskaya mebel, Ltd.	Furniture production	630501, Novosibirsk region, Krasnoobsk village CNSKhB, office 107, 108	Ph. +7 (383) 48-66-24, sibmef@sibmef.ru
Sibir-Stil, Ltd.	Furniture production: case furniture	633010, Novosibirsk region, Berdsk, Lenina St., 89/1	Ph. +7 (38341) 6-12-50, sib-stil@yandex.ru
Sibles, Ltd.	Lumbering. Glued beams' production	630110, Novosibirsk, Pisemskogo St. 24/2, PO Box 97	Ph. +7 (383) 276-85-79, siblesprom@mail.ru, www.siblesprom.ru
Siblesinstrument, Ltd.	Wood sawing equipment: frame saws, sliders for powersaw benches, spare parts	630031, Novosibirsk, Stantsionnaya St., 38	Ph.: +7 (383) 341-83-43, 341-43-49, info@siblesinstrument.ru, www.siblesinstrument.ru
SKM-Mebel, Ltd.	Furniture production: making procurements	630071, Novosibirsk, Vtoraya Stantsionnaya St., 40, office 202	Ph. +7 (383) 360-04-17, tdkm@online.nsk.ru
Stankokomplekt, Ltd.	Woodworking equipment	630032, Novosibirsk, Gorsky micro-district, 60	Ph. +7 (383) 351-00-37, info@stanki.info
Stankosib, JSC	Woodworking equipment and tools	630083, Novosibirsk, Bolshevistskaya St., 131	Ph.: +7 (383) 269-53-74, 269-52-89, stankosib@mail.ru

Name	Activity	Address	Contacts
Stilwood, Ltd.	Wooden house construction. Houses, constructed from molded beams	630052, Novosibirsk, Tolmachevskaya St., 43/3	Ph. +7 (383) 303-18-76, sales-eu@steelwood.ru, www.steelwood.ru
TIM, Ltd.	Furniture production: making procurements	630087, Novosibirsk, Sibiryakov-Gvardeitsev St., 49A, PO Box 43	Ph. +7 (383) 344-60-54, timsib@yandex.ru
Wintex, Ltd.	Furniture production	630075, Novosibirsk, Dusi Kovalchuk St., 378A	Ph. +7 (383) 236-03-31, wintex@ngs.ru, www.wintex-mebel.ru

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**SIBERIAN
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Omsk
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Tomsk
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Novosibirsk
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Krasnoyarsky
Krai



Republic of
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Irkutsk
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Republic of
Buryatia



**FAR EAST
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Khabarovsk
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Primorye
Territory



THE DEVELOPMENT STRATEGY OF THE KRASNOYARSKY KRAI

A WAY, THAT HIGHLIGHTS DEEP CLOUDS OF IDLE RESOURCES

The Krasnoyarsky krai is situated in East Siberia and occupies 13.86% of the country's total territory. It shares borders with the Republic of Sakha and the Irkutsk region to the east, with the Republic of Tyva and Khakassia to the south, and with the Kemerovo and Tomsk regions and the Khanty-Mansiysk and Yamalo-Nenetsk autonomous regions on the west. The Krasnoyarsky krai is situated in the Yenisey River basin. In the north, the territory meets the waters of the Kara and Laptev seas, which belong to the Arctic Ocean. The administrative center of the territory is the city of Krasnoyarsk.

More than 95% of Russia's resources of nickel and platinoids are concentrated in the Krasnoyarsky krai. More than 20% of its gold, significant cobalt resources, nepheline minerals, magnesites, Iceland spar, thin quartz sands, refractory clay, graphite, 63 types of industrial metals and other minerals are also found there. The krai also contains 70% of Russia's coal resources (approximately 20% of the world resources). Intensive coal mining is performed in the Kansko-Atchinsky basin; there is also the significant Tungusky coal basin, the oil and gas Yurubchinsk field block, and the large Vankorskoye oil field. Twenty five oil and gas fields have been discovered in the region.

The Krasnoyarsky krai has the Gorevskoye deposit of lead (containing 42% of the total Russian stocks). The Abagasskoye iron ore deposit, and the Kureiskoye and Noginskoye graphite deposits are being mined. The Maimecha-Kotuisky apatite province contains 21% of all apatite reserves in Russia. More than 10,000 mineral deposits and different mineral occurrences have been discovered in Krasnoyarsky krai.

Main medium-term economic development prospects are connected with plans for developing the Low Angara region (Priangarye). The Krasnoyarsky krai administration has developed a project of Complex Development

of the Low Angara Region. A corporation for Krasnoyarsky krai development was established at a total project cost of 354,072 billion RF rubles.

FORESTRY

The Krasnoyarsky krai is one of the most 'woody' regions of the Russian Federation. The overall volume of forest resources of the krai (including Taimyr and Evenkia) is about 6% of the world's forest resources. However, the share of the krai in forest production of Russia amounts to just 2.48%. This is due to its underdeveloped deep timber-processing and pulp-and-paper industries. The Krasnoyarsky krai produces only 230,000 tonnes, while harvesting 7.45 million m³. More than 5 million m³ of roundwood is exported from the region annually.

Pine, which is the main target of timber harvesting in Krasnoyarsky krai, is the most valuable from the manufacturing viewpoint. The main area of pine forests is centralized in the Angara River basin along the river perimeter and in the south part of the Middle Siberian highlands, where a special type of pine (Siberian stone) grows. Larch is the second valuable wood for forestry. Larch forests dominate in northern regions and the Podkamennaya, Nizhnyaya Tunguska and Vitim rivers' water basins.

The timber industry occupies third place in the krai according to number of created work places (after metallurgy and mechanical engineering). Around 400 enterprises operate in forest harvesting and wood-processing. Among largest of them are: Yeniseysky PPM, Ltd.; Lesosibirsky TPM, JSC; Eniseylesozavod, Ltd.; Novoyeniseysky LHK, CJSC; Yenisey TPM, Ltd.; Kansky TPM, Ltd.; and others. They manufacture fiberboard, particleboard, sawn timber and fuel pellets. Also, middle-density board manufacture was started in 2007. Output volume in the pulp-and-paper manufacture and printing trade amounted to 2.3 billion RF rubles in 2007.

The structure of the forest industry in the Krasnoyarsky krai can be represented as follows: timber logging – 7.45 million m³, sawn timber manufacture – 1.9 million m³, fiberboard manufacture – 55,000 m³, particleboard manufacture – 71,000 m³. That of the paper industry is: pulp – 103,000 tonnes, paper – 38,700 tonnes, cardboard – 87,500 tonnes.

According to the results of 2006, the harvesting

volume in Krasnoyarsky krai was 7.45 million m³, 8 million m³ including sanitation felling. The overall volume of timber harvesting was increasing until 2004 and it has significantly dropped during the last two years. In comparison, the timber felling volume rates of the Soviet period came to 25 million m³ a year.

The Krasnoyarsky krai ranks third in Russia in sawn timber manufacture, after the Arkhangelsk and Irkutsk regions. The overall volume of sawn timber manufacture came to 2.27 million m³ in 2007 and 2008. Sawn timber-processing has significantly increased compared to 2006 from 1.9 to 2.9 million m³.

Yeniseysky PPM, Ltd., which is incorporated into the Continental Management Group, is the sole pulp-and-paper product manufacturer in the krai. According to statistics, pulp-and-paper industry manufactured 103,000 tonnes of pulp, 38,700 tonnes of paper, and 87,500 tonnes of cardboard in 2006.

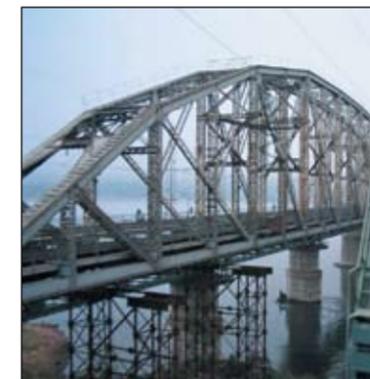
The Krasnoyarsky krai is the leading fiberboard manufacturer in Russia; it has a 24% share from Russia's entire fiberboard manufacture.

Fiberboard manufacture in the Krasnoyarsky krai came to 55,000 m³ in 2006, and the volume increased to 59.5 million m³ in 2007. The Novoyeniseysky LHK, CJSC and Lesosibirsky LDK No.1, situated in Lesosibirsk, are the two largest manufacturers of this type of construction materials operating in the territory of the Krasnoyarsky krai.

The volume of particleboard amounted to 75,000 m³ in the krai in 2007, while the volume increased to 123,300 m³ in 2008. Krasnoyarsky TPM is the main manufacturer of particleboard in the krai. The enterprise, however, does not produce laminated particleboard, which is in demand from the furniture manufacturers. Furniture manufacturers of the krai have to import this type of raw material from neighboring regions.

EXPORT

The Krasnoyarsky krai TI produces the majority of its forest products for export. This is industrial wood (53.1%), sawn timber (46.7%), newsprint (17.6%), corrugated cardboard (13.1%), particleboard (31.6%), fiberboard (11.4%), and wooden fuel pellets (100%). MDF (Medium Density Fiberboards) began being exported in 2008.





**SIBERIAN
FEDERAL DISTRICT**

**Omsk
Region**



Industrial wood and sawn timber are the basic types of timber and paper products that play a significant role in other Russian regional markets, and are exported from the Krasnoyarsky krai. The Krasnoyarsky krai has a 5% share of all Russian forest export. Most of the overall forest export volume in the krai belongs to roundwood and sawn timber.

**Tomsk
Region**



Timber and paper products' export from Krasnoyarsky krai is mainly oriented towards the Far East countries, while the export volume to CIS countries is insignificant.

**Novosibirsk
Region**



China and Japan are the main roundwood importers, taking in 90% of the overall roundwood export from the Krasnoyarsky krai. Sawn timber is exported to many countries in Asia, Europe and North Africa, Austria, China, Denmark, Egypt, France, Germany, Great Britain, Greece, Italy, Japan, Lebanon, Spain, Tunisia and Turkey. Pulp is exported to China, Ireland, Italy, Poland, the Republic of Korea, and Slovakia.

**Krasnoyarsky
Krai**



up the main part of forest road infrastructure, accounting for 80% of all roads. They can only be used 4-6 months of the year. The losses of timber loggers and the regional economy amount up to 70% from the possible volume of earnings.

The regional government has focused on solving the problem and developed plans for financing road construction for the forest industry of the region.

In order to work new forestlands in the nearest decade, emphasis will mainly fall on transport development in the regions, with the most intensive timber harvesting expansion in the Lower Angara region.

A project of developing road infrastructure up to 2015 was devised by the Krasnoyarsky krai administration. At the moment it is in the negotiation stage between all interested parties – the regional and federal governments, and timber loggers.

'Our experience of cooperation with investment projects of enterprises of any size proves that it is not investment that is the main problem. As practice shows, many companies are ready to invest, but only if the project is well-developed and clear. We, for our part, try to deeply examine all proposed projects and are ready to help people. The government of the Krasnoyarsky krai has been closely investigating the problem of the forest infrastructure development since 2005. We have mapped existing roads, defined forest lots for perspective operation, then coordinated them with the most efficient investment projects and planned the required network of forest roads. Thus, we have calculated the effect on the budget that constructing these roads will produce. As a result, the regional board of administration approved a program of constructing logging roads in the territory of the Boguchansky and Kezhemsky districts of

the krai in 2006,' Olga Rukhullaeva, the Head of the Forest Industry Department Agency of Nature Management and Forest Industry of the Krasnoyarsky krai commented.

In 2006 the regional authorities started designing the first two forest roads with an overall length of 193 km at the expense of the regional budget.

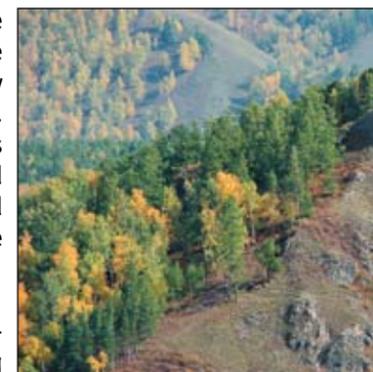
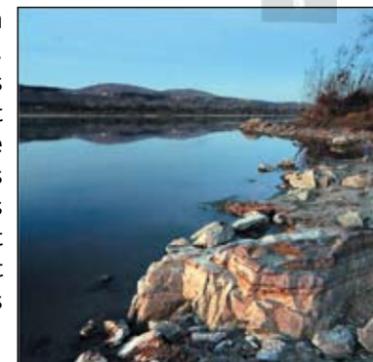
The regional administration is going to use the federal budget for financing roads infrastructure development. Andrei Gnezdilov, the Deputy Governor of the Krasnoyarsky krai adds: 'A concept of the investment project on Creating Road Infrastructure for TI Development of the Krasnoyarsky krai has been sent to the Ministry of Regional Development. On the one hand, we have a lot of forest; on the other hand, it is hardly accessible. Only one third of the 63 million m³ cutting area is available in practice. The other cutting area need roads to be built in order to get to it. At the same time, even large enterprises have no resources to build primary roads – they will be losing in competition. This is why we consider building the forest road infrastructure to be a federal function, which also concerns any other industry mastering natural resources. The state has built trunk pipelines for the gas-and-oil producing industry. Why not do it for the forest? We have prepared a quality program for the expansion the wood-transport road network. We have offered an initiative on the necessity of financing of wood-transport road infrastructure program to the federal budget.' The concept considers the opportunities of co-financing the road-building project from the Investment Fund of the Russian Federation and the regional treasury. The amount necessary for funding wood-transport roads up to 2015 is 9.804 billion RF rubles, while the regional budget can only provide 4.9 billion RF rubles.

Today transporting expenses make up more than half of the cost of roundwood manufacture. This is why it is beneficial to the companies to develop only regions with existing forest roads. Officials and entrepreneurs are considering one way to solve the problems of improving the forest infrastructure in terms of public-private partnership. The government could grant forest lots on lease on terms that are more beneficial if the timber logger is ready to develop the infrastructure.

It is obvious that this can be done only by large companies, or by providing financing from the budget. According to the new Forest Code, only large players can afford to solve great problems. This is because significant financial investments are required prior to 'entering the forest' and starting harvesting in order to establish and approve forest-mastering projects (even with the notification-based declaration system).

Speaking about cooperation between wood-processing companies and timber logging companies, large wood-processing companies will harvest some part of the timber on their own. After all, quality raw material is especially important for them in order to provide continuous processing. However, according to world practice, after the primary development stage, it is advantageous for such companies to transfer felling to small and medium timber loggers by contract. This also gives momentum to reviving dying taiga towns, as their citizens live only by timber harvesting. In this respect, Russia can repeat the experiences of developed European countries (Finland and Sweden), where large processing companies transferred forest resources to small logging companies and simultaneously created conglomerates with timber loggers 20 or 30 years ago.

M. Chalpanova



URGENT PROBLEMS

The main constraint factor of harvesting growth in the Krasnoyarsky krai is the underdeveloped road infrastructure. However, the government is intensively searching for a solution to the problem.

The majority of regional roads were built during the period of 1980-1994, mainly by state logging companies. The network of wood-transport roads created in those years was maintained and serviced at the expense of state funds that were obviously lacking. This is the reason why the technical parameters of most of the wood-transport roads do not meet the adopted standards.

According to preliminary estimations, the forest industry of the Krasnoyarsky krai needs an annual building of about 1,500 km of all-year accessible forest roads. Seasonal roads make

**Republic of
Khakassia**



**Irkutsk
Region**



**Republic
of Buryatia**



**FAR EAST
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**Republic
of Sakha
(Yakutia)**



**Khabarovsk
Territory**



**Primorye
Territory**





**SIBERIAN
FEDERAL DISTRICT**

Omsk
Region



Tomsk
Region



Novosibirsk
Region



Krasnoyarsky
Krai



Republic of
Khakassia



Irkutsk
Region



Republic
of Buryatia



**FAR EAST
FEDERAL DISTRICT**

THE MAIN RISKS OF THE NON-TYPICAL INVESTMENT CLIMATE IN THE KRASNOYARSKY KRAI

The stable economic growth of the region was ensured, through coordinated efforts of the administration, business structures and population, and favorable prerequisites for moving to a new stage of its development were formed. The key success factor in this is attracting a significant amount of external financial resources.

Nowadays Krasnoyarsky krai ranks first in terms of its timber resources, second in terms of its hydropower resources, and third in terms of its mineral fuel resources.

The reserves for compensational economical growth of the krai after the financial crisis were depleted by 2002. Industrial manufacture growth rates decreased significantly, real income per capita was almost stagnate, and a development budget could hardly be formed.

Arrears of wages per one employee exceeded the average Russian level of arrears by more than the twofold in 2002. This was because the economic development of the region was inertial

in exploiting production powers created in the Soviet period, without any significant renewal. Apart from that, the regional administration was not able to put forward new ideas and suggest new ways out of the existing social and economic situation in the krai.

The new government has had trouble in overcoming these unfavorable trends, also because of the persistent lack of investment resources in the krai. During the following five years, the share of fixed investment (including direct foreign investment) in the volume of the gross regional output of the Krasnoyarsky krai has been lower than the national average by 30-40%.

It was not until 2005 that a qualitative leap in the investment climate of the region took place. The Krasnoyarsky krai passed from rating class 2C (average potential – high risk) to more investment attractive class 2B (average potential – moderate risk), which also applies to 15 more Russian regions (classification by Expert RA rating agency).

According to experts, the Krasnoyarsky krai is one of the regions with a non-typical investment climate. Despite having an outstanding investment potential, investment risks remain high. Analysts note that according to type of investment climate, the Krasnoyarsky krai passed from the 'difficult children' to the 'growth pole' category of regions.

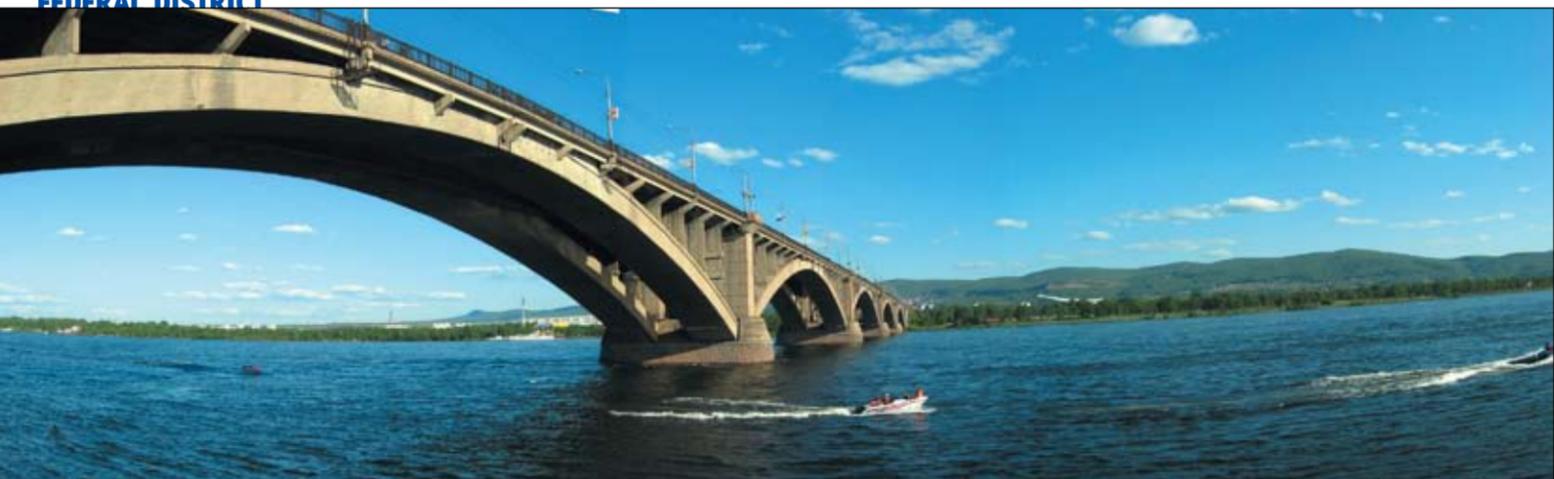
Another positive aspect is the legislative base of investment activities in the Krasnoyarsky krai. The government has an approved program for the social and economic development of the region. The development program includes providing benefits to investors, which allows for an even greater level of investment risk mitigation. Generally, it should be noted the investment risk in the Krasnoyarsky krai has an insignificant amount of 'weak points'. By expert assessment, the risk of untimely fulfilling their obligations by regional authorities is low.

A new factor of Krasnoyarsky krai investment attractiveness is its becoming one of the leaders in the Siberian federal district according to its innovational potential, maintenance and development of the scientific and technical complex of the krai.

The high credit rating of the Krasnoyarsky krai is determined by the existence of the powerful tax base, high-quality financial management, the efficient policy of managing state debt, significant resources and economic potential, and a number of other factors.

Budget system stability analysis proves that the Krasnoyarsky krai has increased its ability to timely fulfill current financial obligations, and its paying capacity has stayed high since 2004. The Krasnoyarsky krai budget structure is balanced and stable enough to maintain the existing paying capacity, and even to improve it. The krai is still the only federal subject in Siberia and the Far East that receives no federal fund transfer for region support. The revenues to the expenses of the final budget significantly increased and came up to 101.9%.

Along with that, a tension exists in the financial and economic development dynamics. There is a certain unsteadiness of regional authorities associated with the perspectives of the Krasnoyarsky krai uniting with the Taymyr and Evenkiya districts. This unification will change the krai investment attractiveness in a certain way. On the one hand, it will highly improve investment potential of the krai, which will allow it to surpass the Nizhny Novgorod region and move up to 6th place in Russia. On the other hand, uniting with the regions that have lower social and economic and infrastructural parameters can lead to some initial increase in the investment risk of the region. The region might go down from 57th to 62nd place and





**SIBERIAN
FEDERAL DISTRICT**

**Omsk
Region**



return to the 'average potential – high risk' rating category.

Projects concerning deep timber-processing markedly dominate investments in the Krasnoyarsky krai TI. Moreover, the federal government actively supports this direction.

**Tomsk
Region**



The Russian government has approved TI Development Strategy up to 2020, which defines the 25 main manufacturing projects of the Federal level directed towards deep timber-processing. The aggregate investments into the projects approximate 177 billion RF rubles. More than 50% of the investment funds will be put into four forest projects developing in the Krasnoyarsk territory: a plywood plant in Sosnovoborsk, KrasLesInvest TPM in the Boguchansky district, the Angara Paper PPM in the Yenisey district, and the Sibles woodworking plant belonging to the Maltat company.

**Novosibirsk
Region**



'TI development is gaining momentum. We have launched 7 deep timber-processing enterprises in 2 years and we plan to launch 20 more modern plants producing goods with high VAT,' says Alexander Khloponin, Governor of the Krasnoyarsky krai.

**Krasnoyarsky
Krai**



Further investment development prospects are primarily associated with mastering the natural resource potential of the Lower Angara area. The construction of Boguchanskaya HPP with power of 3,000 MW is the key infrastructure project implementation, which is important for both the western and eastern part of the Lower Angara area.

**Republic of
Khakassia**



**Irkutsk
Region**



**Republic
of Buryatia**



**FAR EAST
FEDERAL DISTRICT**

**Republic
of Sakha
(Yakutia)**



THE LARGEST ENTERPRISES

Yeniseysky PPM, Ltd. (incorporated into timber company Continental Management)

Yeniseysky PPM is the only enterprise performing deep chemical processing directed towards paper and cardboard production manufacture.

**Khabarovsk
Territory**



The mill is the only newsprint, fluting paper, writing paper and boxboard manufacturer in the Asian part of the country. Yeniseysky PPM is comprised of a number of plants and is the only integrated enterprise in the Krasnoyarsky krai. The plants include establishments for raw wood acceptance, storage and preparation, half-finished products manufacture (pulp and semichemical

pulp cooking shops, wood-pulp factory), chemical recovery and industrial wastewater treatment plants, power facilities, etc.

The mill is comprised of a lumber exchange business, wood-pulp shops, boileries (pulp and semichemical pulp production), a paper mill, a container board mill, a cardboard-drying shop, a paper-processing shop, an acids shop, a magnesium oxide and sulphur recovery shop, a bleaching production shop, a chemical production shop, a treatment plant, and ancillary production shops.

Yeniseysky PPM, Ltd. mainly specializes in newsprint, fluting paper, writing paper and boxboard.

Lesosibirsky LDK, JSC

Lesosibirsky LDK #1, JSC is the largest wood-processing complex. It consists of timber logging enterprises, saw-mills, works for fiberboards and furniture from natural wood (solid Angara pine) manufacture and finishing, and also for thermal energy generation.

Lesosibirsky LDK #1 is also one of the biggest sawn timber, fiberboard, planed profiles and furniture from natural wood (solid Angara pine) manufacturers in Russia. The factory was designed, the equipment was mounted and the first models of furniture were made in cooperation with Cesare Lacedelli, the famous European furniture manufacturer. This is why the furniture factory is in compliance with the highest world standards, putting out a broad assortment of ecologically pure furniture made of Angara pine. Today, the factory turns out more than 600 types of products. All furniture is made of natural wood (solid Angara pine), and is an ecologically pure product. In order to produce furniture, the factory uses lacquers and accessories by such leading European companies as Sayerlack (Italy), Hettich (Germany), and Franke (Germany). High-quality lacquers and modern equipment allow for the special quality of silky and matt furniture decorating. According to domestic and foreign experts, furniture manufacture at Lesosibirsky LDK #1 is the best in Russia today.

Lesosibirsky LDK #1 produces more than 500,000 m³ of sawn timber, which comes from Angara pine (70%), larch (20%), and fir (10%). All sawn timber passes through drying in a

chamber. Angara pine, a natural wood, is used in fiberboard production, the output of which exceeds 25 million m² per year.

Yeniseylesozavod, Ltd.

The main activity of the company is saw-milling and timber logging.

Total roundwood consumption is 200,000 m³ per year; the volume of harvesting by company and holding enterprises amounts to 140,000 m³ per year; and the sources of raw wood and volume of roundwood supplies from the main timber supply regions amount to 60,000 m³ per year.

Common exploitable timber reserves are 166,052 hectares.

The majority of wood species used by the company is softwood – 87.7% (fir and silver fir – 6.6%, pine – 33.8%, and other – 47.3%); hardwood accounts for the remaining 12.3%.

Novoyeniseysky LHK, CJSC

Novoyeniseysky LHK was founded on April 5, 1960. Now it operates as a Closed Joint-Stock Company and is one of the largest saw-milling and timber-processing holdings of the Krasnoyarsky krai. This forestry plant has a stable, steady financial and economic position. The company profile covers all links in the production chain, from harvesting raw materials to finished product sales.

Upon accomplishing the process of forming timber logging branches, Novoyeniseysky LHK, CJSC will acquire the status of a holding that performs the full chain from timber harvesting to finished forest product output.

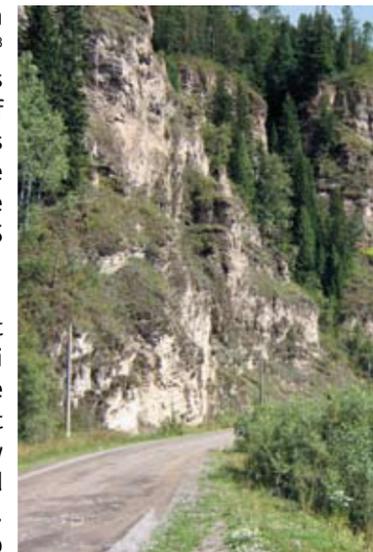
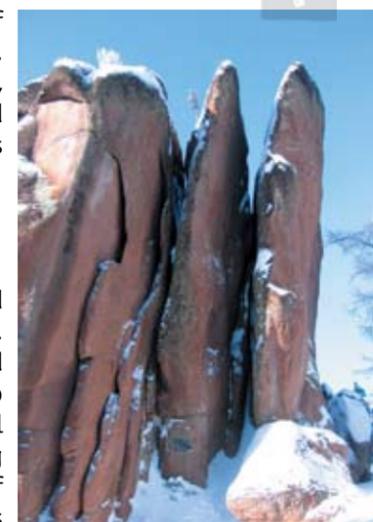
LHK is a large complex, processing from 1,000 to 1,2 million m³ of raw material. The main activity of Novoyeniseysky LHK, CJSC is manufacturing export sawn timber, fiberboards and solid

laminated boards, different types of goods of low-quality raw material, and lumbering wastes. The plant produces 450,000 m³ of sawn timber, 20 million m² of fiberboards, 5,000 m³ of solid laminated boards, and 150,000 m³ of hydrolysis mixture.

Kansky TPM, Ltd.

The enterprise stopped operating at the end of 2006 due to a shortage of raw materials. Low customs duties on roundwood and unprocessed timber, imposed by China, led to the low competitiveness of the raw material purchasing price from wood-processing companies. However, thanks to the actions of the regional authorities, raw material sawing was recommenced at the TPM on February 5, 2007. In 2007, TPM achieved a sawing volume of 7,500 m³ of raw material. Nowadays the enterprise is capable of processing up to 60-70,000 m³ of raw material. Moreover, the enterprise leaders plan to install new processing lines and increase output volumes up to 200,000 m³ a year. The project investments amount to 20 million US Dollars.

Twenty large investment projects in the forest industry have been claimed in Krasnoyarsky krai during the last three years, three of which have already been implemented. They include the first Siberian MDF factory, the largest pellet factory beyond the Urals, a new particleboard factory, and the modern woodworking factory in Lesosibirsk. Apart from that, profiles have been put into production at Yenisey; and a sawn timber drying line and profiles shop have been installed and are operating at KrasnoyarskLesoMaterialy, CJSC. Several more projects are being implemented at the moment. 100 billion RF rubles will be invested into the forest industry of the region in the next five years.



M. Chalpanova





SIBERIAN
FEDERAL DISTRICT

LARGEST INVESTMENT PROJECTS

Omsk Region



Plywood Plant Construction in Sosnovoborsk

Project title Plywood plant is being built in the territory of a former Krasnoyarsk plant of trailer machines
Project initiator Midway United, Ltd., a joint Russian-US company
Expected outcome 600,000 m³ of product per year: large size plywood – 350,000 m³ per year; sawn timber – 150,000 m³ per year; commercial veneer– 100,000 m³ per year
Project implementation stage Preparatory work for American equipment are currently being performed. The equipment mounting is planned to be started in December, in the first quarter of 2008
Project cost 150 million US Dollars
Project implementation period Beginning of 2009
Contact person Murphy Vandervelde, General Director of Midway United, Ltd.

Tomsk Region



Novosibirsk Region



Krasnoyarsky Krai



Boguchansky Timber-Processing Plant in the Yarki settlement

Project title Boguchansky Timber-Processing Plant construction includes establishing several deep timber-processing plants: a pulp mill, an MDF plant, a saw-milling plant, and a plant for producing materials for wooden house-building
Project description The new PPM is incorporated into the larger project of the Boguchanskaya energy and metal complex, of which the main part is the completion of Boguchanskaya HPP
Project initiator Vnesheconombank (State Corporation 'Bank for development and foreign economic affairs')
Expected outcome 600,000 tonnes per annum aluminum plant
Project implementation stage The site for the plants has been already allocated; public hearings are under way
Project cost 1 billion US Dollars
Contact person Vladimir Alexandrovich Dmitriev, Chairman of the Board for Vnesheconombank

Republic of Khakassia



Irkutsk Region



Republic of Buryatia



FAR EAST
FEDERAL DISTRICT

Republic of Sakha (Yakutia)



Khabarovsk Territory



Primorye Territory

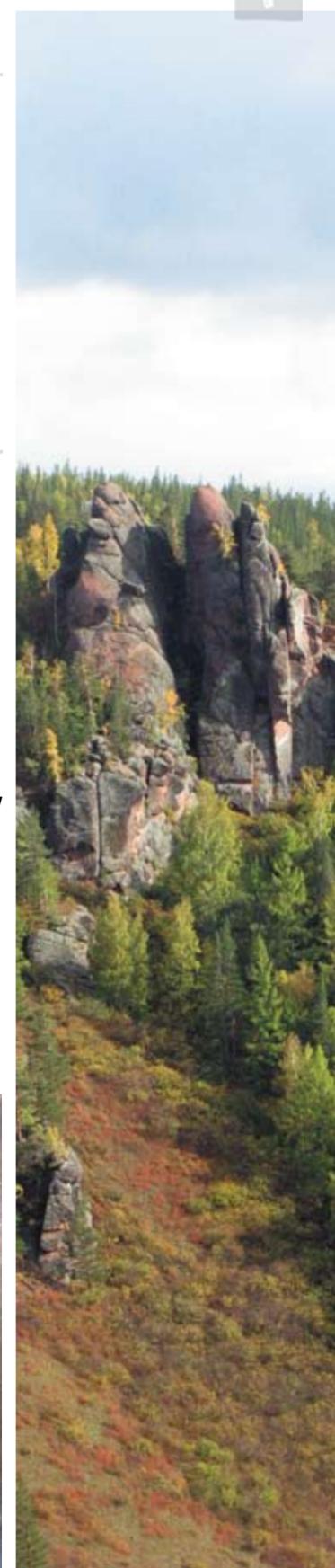
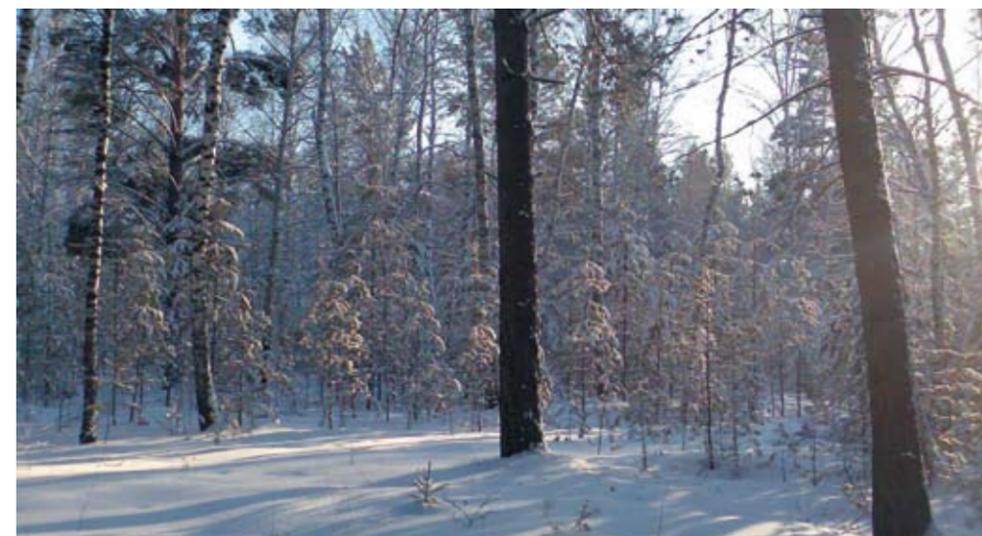


Angara Paper Wood Chemical Plant Construction in the Yenisey district

Project description Angara Paper Wood Chemical Plant plans to build a bleached softwood pulp mill in the Yenisey district
Project initiator Angara Paper, Sondra
Expected outcome 900,000 tonnes of bleached softwood pulp with quality equal to that of Canadian
Project implementation stage Engineering design of the plant building
Project cost 1.3 billion US Dollars
Project implementation period 2011
Contact person Mikhail Azanov, General Director of Angara Paper

Construction of TPM with a Full Production Cycle by Minusinsky Les, Ltd.

Project title Construction of timber-processing complex with a full production cycle
Project description Minusinsky Les, Ltd. intends to lease out forests of the Krasnoyarsky krai and to harvest timber there. It also plans to establish timber harvesting plants, and build a sawing and woodworking factory with a bark-burning boiler to provide heating to timber-processing facilities. A plant will be built to process small needle and hardwood industrial wood and some firewood into oriented strand board (OSB). A plant producing particleboard will be constructed to utilize timber waste (chip and sawdust), woodworking waste (shreds and sawdust) and OSB production waste. Project initiator Minusinsky Les, Ltd.
Expected outcome 1.25 million m³ logged timber per year: 146,000 m³ of sawn timber, 320,000 m³ of OSB, and 260,000 m³ of particleboard per year
Project implementation stage Minusinsky Les' application has been approved by the Krasnoyarsky krai government
Project cost 2,742,230 million US Dollars
Project implementation period 2019
Contact person Reshad Mustafin, General Director of Minusinsky Les, Ltd.





**SIBERIAN
FEDERAL DISTRICT**

**Omsk
Region**



**Tomsk
Region**



**Novosibirsk
Region**



**Krasnoyarsky
Krai**



**Republic of
Khakassia**



**Irkutsk
Region**



**Republic of
Buryatia**



**FAR EAST
FEDERAL DISTRICT**

**Republic of Sakha
(Yakutia)**



**Khabarovsk
Territory**



**Primorye
Territory**



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Ministry of External Relationships and Investment Politics

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Chamber of Industry and Commerce

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Fax +7 (3912) 23-96-83
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E-mail odo@customs.krs.ru

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Website www.admkrsk.ru



MAIN ENTERPRISES OF THE KRASNOYARSKY KRAI

Name	Activity	Address	Contacts
Abakansky OMZ (Experiment Mechanical Fabric), Forestec Trade House	Harvesting machines and spare parts	660075, Krasnoyarsk, Krasnoy Gvardii St., 24, office 413	Ph.: +7 (3912) 21-50-23, 21-61-20, forestec@rambler.ru, www.forestec.ru
Akrodekor, Trading House, Ltd.	Production and sale of construction materials	660012, Krasnoyarsk, Gladkova St., 22, building 5	Ph.: +7 (3912) 36-87-88, 36-87-60, akrodekor@mail.ru
Baikal, Ltd.	Sawn timber production. Forestry	660041, Krasnoyarsk, Kirenskogo St., 89, office 201	Ph. +7 (3912) 90-30-29, bravo@kras.ru
Bars-Krasnoyarsk, Ltd.	Supplying of wood-sawing and woodworking equipment, and boilers	660025, Krasnoyarsk, Yakorniy Lane, 12, office 214	Ph. +7 (3912) 79-84-74, Fax +7 (3912) 45-65-63, bars-kras@mail.ru
Belsibles, Ltd.	Wood sawing	662546, Krasnoyarsky Krai, Lesosibirsk, Sadovaya St., 79	Ph. +7 (3914) 53-49-48, Fax +7 (3914) 53-11-84
BiznesStar Company, Ltd.	Wood sawing, lumbering	663467, Krasnoyarsk, Robespiera St., 1A, office 301	Ph. +7 (3912) 21-04-59, Fax +7 (3912) 58-19-08, ooob@list.ru, www.ooob.ru
Cutting Tools Center	Tools for woodworking	660017, Krasnoyarsk, Dubrovinskogo St., 110, building 2	Ph.: +7 (3912) 65-18-91, 52-23-63, kric@krsn.ru, www.kric.ru
Dubrava Plus, Ltd.	Production of euro windows and doors	660000, Krasnoyarsk, Solnechnaya St., 12, building 20	Ph. +7 (3912) 52-00-24, dubrava@crasmail.ru
Dukon	Benches, aggregates, and tool set	660000, Krasnoyarsk, Televizornaya St., 1, building 21	Ph./ Fax: +7 (3912) 45-87-93, 56-26-00, krsk@dukon.ru, www.dukon.ru
EcoDomYenisey, Ltd.	Manufacture of equipment for drying kilns, heating systems	660003, Krasnoyarsk, Novaya St., 36	Ph. +7 (3912) 58-93-66, Fax +7 (3912) 35-87-64, ecodom-enisey@yandex.ru, www.ecodom-enisey.narod.ru
The Emerald Forest	Benches, aggregates and tool sets	660000, Krasnoyarsk, Zatonskaya St., 32, office 101	Ph./ Fax: +7 (3912) 34-12-61, 37-34-12, 34-12-61, 51-85-14, 341261@mail.ru, www.krasforest.ru
Eniseilesozavod, Ltd.	Wood sawing	660012, Krasnoyarsk, Priboynaya St., 37	Ph. +7 (3912) 61-57-54, Fax +7 (3912) 61-57-48
Eniseisky PPM, Ltd.	Paper production	660004, Krasnoyarsk, 26 Bakinskikh Komissarov St., 8	Ph./ Fax +7 (3912) 64-95-51, info@cbk.ktk.ru
Enisey DOK, Ltd.	Production of sawn timber and fuel granules	662520, Krasnoyarsky Krai, Beryozovsky district, Beryozovka, Traktovaya St., 87	Ph. +7 (3912) 32-76-16
Eniseyles, JSC	Industrial wood and sawn timber	660021, Krasnoyarsk, Gorkogo St., 3	Ph.: +7 (3912) 22-47-49, 22-33-80, enles@intraline.ru
Europroject-Krasnoyarsk, Ltd.	Paint and machine-tool equipment	660000, Krasnoyarsk, Semaformaya St., 80	Ph. +7 (3912) 61-79-93, Fax +7 (3912) 61-79-94, krasnoyarsk@europroject.ru, www.europroject.ru
Fanerny Dvor, Ltd.	Plywood, and shaving board	660049, Krasnoyarsk, Semaformaya St., 441A	Ph.: +7 (3912) 53-66-53, 65-74-25, 58-33-66, mail@fanera.biz, www.fanera.biz
Felkon, Ltd.	Electrical equipment, woodworking tools	660133, Krasnoyarsk, Tretia Krasnodarskaya St., 14A	Ph./Fax +7 (3912) 45-51-55, kr-flk@list.ru, www.falcon.vzletka.net
Forestry Equipment, PF	Forestry machines, equipment and tools	660054, Krasnoyarsk, Splavuchastok St., 3	Ph. +7 (3912) 92-40-02



**SIBERIAN
FEDERAL DISTRICT**

**Omsk
Region**



**Tomsk
Region**



**Novosibirsk
Region**



**Krasnoyarsky
Krai**



**Republic of
Khakassia**



**Irkutsk
Region**



**Republic of
Buryatia**



**FAR EAST
FEDERAL DISTRICT**

**Republic
of Sakha
(Yakutia)**



**Khabarovsk
Territory**



**Primorye
Territory**



Name	Activity	Address	Contacts
Green Wood, Ltd.	Engineering and manufacture of unconventional equipment for wood sawing and woodworking	660079, Krasnoyarsk, 60 Let Oktyabrya St., 136	Ph. +7 (3912) 34-35-97, Fax +7 (3912) 35-99-20, sibstanok@rightside.ru, www.sibstanok.ru
Kansk Wood, Ltd.	Woodworking	663613, Krasnoyarsky krai, Kansky settlement, Nagornaya St., 12	Ph. +7 (3912) 41-04-70, Fax +7 (3916) 12-52-50, oookanskwood@yandex.ru, www.kansk-wood.narod.ru
Kodok Saw Mill	Sawn timber production	663491, Krasnoyarsky krai, Stroibasa, Kodinsk	Ph.: +7 (903) 719-89-53, +7 (909) 169-24-74, Natasha@kodok.krs.ru, www.kodok.ru
KrasnoyarskLeso-Materialy, CJSC	Production of sawn timber from larch and pine, furniture boards and joinery patterns	660049, Krasnoyarsk, Parizhskoy Kommuny St., 25A	Ph. +7 (3912) 27-69-00, klm@online.ru, www.klm-co.ru
Krasnoyarsky DOK, CJSC	Particle boards' production	660006, Krasnoyarsk, Sverdlovskaya St., 101A	Ph.: +7 (3912) 61-10-58, 61-19-00, Fax +7 (3912) 61-52-17, andrey@krasdok.ru, www.krasdok.ru
Kraslesmash, Krasnoyarsky Plant of the Forestry Machine Engineering	Harvesting equipment	660001, Krasnoyarsk, Krasnoy Zvezdy St., 1	Ph. +7 (3912) 43-73-28, Fax +7 (3912) 90-60-09, klmpa@mail.ru, www.kraslesmash.ru
Krasplitprom, Ltd.	Wood-processing	Krasnoyarsky krai, Yemelyanovsky district, 10 km of the Yeniseisky Trakt, 3	Ph. +7 (3912) 25-97-00, krasplitprom@mail.ru
LEKS, Ltd.	Timber exporting	660093, Krasnoyarsk, Semaforaya St., 76	Ph. +7 (3912) 33-89-02, info@krasles.com
Lesorub, Ltd.	Power tools, landscape-architecture technology	660001, Krasnoyarsk, Menzhinskogo St., 11A, office 97	Ph. +7 (3912) 91-32-05, Fax +7 (3912) 44-14-55, info@kraslesorub.ru, www.kraslesorub.ru
Lesosibirsky TPM No.1	Sawn timber production. Furniture production	662543, Krasnoyarsky krai, Lesosibirsk, Belinskogo St., 16E	Ph.: +7 (3914) 52-13-02, 59-24-50, Fax +7 (3914) 52-16-97, lldk1@lldk1.ru, www.ldk1.ru
Lespromstroy, Ltd.	Lumbering and wood-processing	660000, Krasnoyarsk, Zatonskaya St., 18, office 3A	Ph. +7 (3912) 32-16-92, lps64@mail.ru
LIDER	Production of unconventional and woodworking equipment	Krasnoyarsk, Berezina St., 3f, office 1-01	Ph. +7 (902) 991-17-60, Fax +7 (3912) 20-02-20, derevo-lider@inbox.ru
Lifting Machines, Holding (Krasnoyarsk Department)	Production of loading technology	660020, Krasnoyarsk, Berezina St., 3f	Ph. +7 (3912) 20-12-67, kf.pss.nda@mail.ru, www.pmholding.com
Mebelkomplekt, Ltd.	Complex equipment for furniture plants	660010, Krasnoyarsk, Krasnoyarsky Rabochy Ave., 160/46	Ph. +7 (3912) 36-27-48, Fax +7 (3912) 36-02-63, furn@mebelkom.com, www.mebelkom.com
Novoyeniseysky Lesokhimichesky Kompleks, CJSC	Timber logging. Woodworking. Lumber producing	662546, Krasnoyarsky krai, Lesosibirsk-6, 40 let Oktyabrya St., 1	Ph.: +7 (39145) 340-01, 391-17, 393-40, 322-63, referent@novo-lhk.ru
Orion-Motors, Ltd.	Harvesting equipment, sale and service	660079, Krasnoyarsk, 60 Let Oktyabrya St., 162	Ph.: +7 (3912) 55-52-67, 55-52-68, orionmotors@mail.ru
Pilous Sibir Forestor, Ltd.	Band saws	660021, Krasnoyarsk, Dubrovinskogo St., 110	Ph.: +7 (3912) 23-25-66, 23-99-70, Fax +7 (3912) 23-98-51, pilex@pilex.ru, www.pilous.ru
Promos Krasnoyarsky	Woodworking and band saws. Lifting equipment	660093, Krasnoyarsk, Vavilova St., 15	Ph. +7 (3912) 36-47-92, Fax +7 (3912) 90-09-30, promos@inbox.ru, www.promoskr.ru
Rubidom	Wooden house-building	660004, Krasnoyarsk, Krasnoyarsky Rabochy Ave., 30, office 309	Ph. +7 (3912) 63-22-08, rubidom@yandex.ru, www.rubidom.narod.ru

Name	Activity	Address	Contacts
Sakura Techkomplekt, Ltd.	Loaders, spare parts for heavy construction machinery, hydraulic breakers and account materials (tires, filters and oil)	660093, Krasnoyarsk, Vavilova St., 1B	Ph. +7 (3912) 36-95-60, Fax +7 (3912) 63-68-88, mail@sakura-tech.ru, www.sakura-tech.ru
SibAutoPlus, Ltd.	Special technology and spare parts	660079, Krasnoyarsk, Sverdlovskaya St., 3, building 3, office 4-01	Ph. +7 (3912) 50-38-78, sibauto@mail.ru, www.sibauto.com
Siberian Construction House, Ltd.	Construction and sale of sawn timber	660037, Krasnoyarsk, Severnoye Highway, 47	Ph. +7 (3912) 63-29-78, sibstroydvor@mail.ru, www.sibstroydvor.ru
Siberian State Technological University	Engineering of drying kilns	660049, Krasnoyarsk, Mira Lane, 82, room 228	Ph.: +7 (3912) 79-84-74, 79-58-48, 27-15-05, Fax +7 (3912) 66-03-90, cspstu@mail.ru
Sibinles, Ltd	Wholesale sawn timber	Krasnoyarsk, Kirova St., 19, office 32	Ph. +7 (3912) 23-47-12, Fax +7 (3912) 22-40-13, Bastion7@yandex.ru, www.sibinles.ru
Sibkraspolimer	Production and sale of rubber technical units	660049, Krasnoyarsk, Surikova St., 12	Ph.: +7 (3912) 29-85-29, 29-82-45, sibkraspolimer@sibkraspolimer.ru, www.sibkraspolimer.ru
SpetsImportTehnika-Sibiri-Service, Ltd.	Automotive engineering, special technology and equipment	660000, Krasnoyarsk, Krasny Rabochy Ave., 30A, office 313	Ph. +7 (3912) 78-47-84, Fax +7 (3912) 78-47-27, sit-sibir@mail.ru
Standart 600	Wood sawing and woodworking equipment	660020, Krasnoyarsk, Yeniseiskaya St., 1	Ph. +7 (3912) 97-16-00, Fax +7 (3912) 23-92-09, standart600@mail.ru
Stankograd-Krasnoyarsk	Manufacture and sale of woodworking equipment and tools	660020, Krasnoyarsk, Televizornaya St., 6A, office 205	Ph.: +7 (3912) 97-64-06, 58-11-21, +7 (962) 074-09-76, Stankograd@inbox.ru, www.stankograd.ru
Stankosbyt-Center, Ltd.	Benches and other equipment	660079, Krasnoyarsk, Matrosova St., 30П, building 2	Ph. +7 (3912) 69-97-17, info@ssckras.ru, www.ssckras.ru
Tekhno-Trade, Ltd.	Sale of harvesting and logging equipment	660036, Krasnoyarsk, Akademgorodok 50, office 216, building 44	Ph.: +7 (3912) 55-53-44, 55-53-45, t-trade@akadem.ru, www.tehnica.net
UralazTekhnoCenter, Ltd.	Special technology, trucks and spare parts	660020, Krasnoyarsk, Zhelyabova St., 6	Ph. +7 (3912) 27-51-21, utckr@mail.ru, www.uralaztc.opt.ru
Wooden Towers	Wooden house construction	660049, Krasnoyarsk, Karla Marxa St., 78, office 509	Ph. +7 (3912) 94-59-35, Fax +7 (3912) 27-78-26, dterema@pochta.ru, www.dterema.ru

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Website www.sibstu.kts.ru

Center of Forest Protection, Roslesozaschita, FGU Branch

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**SIBERIAN
FEDERAL DISTRICT**

Omsk
Region



Tomsk
Region



Novosibirsk
Region



Krasnoyarsky
Krai



Republic of
Khakassia



Irkutsk
Region



Republic
of Buryatia



**FAR EAST
FEDERAL DISTRICT**

Republic
of Sakha
(Yakutia)



Khabarovsk
Territory



Primorye
Territory



THE REPUBLIC OF KHAKASSIA – A TERRITORY OF WATER

Khakassia is the center of the Asian part of the continent with an area of 61,500 km². Nature here is extremely diverse because of the large amount of natural landscape zones, with semi-desert, steppe, forest steppe, taiga, mountainous Alpine meadows, mountainous tundra and even glaciers. 46.2% of the territory of Khakassia is covered by forest, and it is one of the main forms of natural resources of the republic.

Khakassia is located in the southwest of Eastern Siberia in the left-bank section of the Yenisei River basin, in the territories of the Sayano-Altai highland and the Khakassko-Minusinsk depression. The South Siberian railway advantageously links it with the Minusinsk right bank, the Irkutsk region and Kuzbass. And by the Yenisei, the republic has access to the Central Krasnoyarsk region and the Yenisei North. Khakassia borders the Kemerovo region in the west; the Altai Republic in the southwest; the Republic of Tyva in the south; and in the southeast, east and north it borders the southern regions of the Krasnoyarsky krai.

The climate is harshly continental, with a dry hot summer and a cold winter with little snowfall. The average air temperature in July is 17.9°C, and -18.9°C in January. The average precipitation is 300-700 mm per year in the steppe zone and up to 1,500 mm per year in the mountainous taiga zone.

ADMINISTRATIVE SYSTEM

The capital of Khakassia is Abakan (163,200 inhabitants). The highest representative and

common legislative body of state power in the Republic of Khakassia is the Supreme Council, with 75 deputies. The deputies are elected by general secret ballot for a term of four years.

The highest executive and administrative body of state power in the republic is the government. The government is appointed for a term of office by the Chairman of the Government and ends its term when a new Chairman of Government of the Republic of Khakassia is elected and a new government is formed.

WATER RESOURCES

The republic has virtually all types of water bodies – mountain rivers, corrie lakes, foothill rivers, small steppe rivers and lakes of closed depressions.

The rivers form an uneven hydrographical network. The largest number of them is in the mountainous part of the republic, and there are significantly fewer of them within the steppe zone of the Minusinsk depression. Ice forms in the first half of November and melts in the second half of April. Rivers stay under ice for

150-160 days. However, some mountain rivers are only partially covered by ice. For example, the Yenisei does not freeze in the region of the lower pool of the Sayno-Shushensky and the Mainsky hydroelectric stations – greater than 100-150 km in length.

The Yenisei, Ob and Abakan (the left tributary of the Yenisei with a length of 514 km) are the largest rivers in Khakassia. Over 320 small rivers with a length of over 10 km each, and a total length of 8,500 km, flow into them. The majority of rivers in south Khakassia belong to the Yenisei basin and to the rivers of the north and northwest of the republic (Tom, White and Black Iyus which converge to the River Chulym, and numerous small tributaries), which form the Ob basin.

There are over 500 rivers in the republic. The water of many of them has medicinal qualities. The lakes are mainly concentrated in steppe and mountainous belts. They differ in origin, size, depth and level of mineralization. The largest lakes are Belyo (7,714 hectares), Shira (3,470 hectares), Chernoe (2,548 hectares), and Itkul (2,140 hectares). Shira has a mineralization of up to 20 grams per liter.

FORESTS

The forest reserves come to 3,988,200 hectares. The total supply of timber of main wood species is 438 million m³, including coniferous species – 127 million m³.

Khakassia forests are mainly dark coniferous forests of medium mountain latitude, with a predominance of cedar, fir, and spruce. Of particular value are cedar forests, which make up around 30% of the total forest reserves. On the boundary of the medium-mountainous and low-mountainous belts, there are mixed light coniferous and dark coniferous forests. Below

all the dark coniferous species are valley forests of spruce, which grow in the forest steppe and even the steppe belts. Light coniferous forests are mainly distributed in the sub-taiga belt and foothills of the Minusinsk depression. In the Ona River basin, deciduous forests reach the high-mountainous belt. In Kuznetsky Alatau they also grow in the mid-mountainous belt.

Deciduous forests are mainly located in the sub-taiga belt, and only occupy small areas of the forest steppe and particularly the mountain taiga zones. Deciduous forests mainly have secondary origin, i.e. they arise in the location of light coniferous and dark coniferous zones. And they are predominant only in the steppe and forest steppe belt. In the flood lands of the steppe rivers grow poplar forests with a mixture of birches and arborous willows.

Scrub vegetation is found in the undergrowth of various forests. The most common are willow, rhododendron, spiraea, contoneaster, and bird cherry. Pea shrubs are also found, along with prairieweed, alder shrubs, ground birch, raspberries, etc.

Artificial forests are represented by forest shelter and roadside forest belts, and also plantations around lakes and in wastelands.

ECONOMY OF THE REGION

Historically, Khakassia is an agricultural region. Almost all the industry in the republic started in the 20th century. An exception is gold mining and coal mining, which were developed much earlier.

Today, the leading industries are the power industry, non-ferrous metallurgy, machine building, and forestry and woodworking. There are 125 industrial enterprises in the republic with a total staff of 77,000 people, of whom





**SIBERIAN
FEDERAL DISTRICT**

**Omsk
Region**



65,800 are workers.

The structure of the industries of the republic is as follows:

- non-ferrous metallurgy – 45.7%;

- power industry – 20.9%;

- food industry – 9.8%;

- fuel industry – 9.8%;

- ferrous metallurgy – 3.7%;

- machine building and metal working – 3.0%;

- light industry – 2.7%;

- construction materials industry – 1.6%;

- forestry and woodworking industry – 1.2%;

- other – 1.6%.

The basis of the region's economy is hydropower and aluminum production, which are technologically linked. The power system of Khakassia is made up of the Sayano-Shushenskaya hydroelectric station (belonging to the Yenisei Cascade hydroelectric station, which is the most powerful in Russia – 6,400 MW), the Mainskaya hydroelectric station (capacity 321 MW), and three thermal power plants with a total capacity of 300 MW.

Khakassia has large aluminum factories – Sayanogorsky, Khakassky, and Sayanskaya Folga, JSC. All these enterprises belong to Rossiyskiy Aluminiiy.

Razrez Stepnoi, Ugolnaya Kompaniya, Ltd. and the Chernogorsky branch of Sibirskaya Ugolnaya Energeticheskaya Kompaniya, JSC are already mining coal. Two mines (the Yeniseisky and Khakassky) are producing coal, and five drill cuts with a total volume of over 6 million tonnes per year. Among other major enterprises are the non-ferrous metallurgy enterprise Sorsky GOK, Ltd. (molybdenum and cooper concentrates), and Tuimsky, JSC non-ferrous metals factory (copper mill products).

The coefficient of production for electricity is 7.3 (the highest in Russia) and 5.3 for coal. In the explored fields of Khakassia, the percentage

of supplies of the Russian Federation are: coal 3%, iron ores 1%, molybdenum 11%, barite 27%, bentonites 6.5%, and facing stones 13%.

In recent years, new forms of economic activity have appeared in industry – small enterprises and cooperatives (mainly in the service sphere). But so far their percentage is very small. In industry, they presently account for only 0.5% of the total volume of industrial production.

Small enterprise has become one of the important sources of providing the market with goods and services. It creates up to 15% of the gross regional product of Khakassia. Small enterprises are becoming a reliable base of tax revenue to budgets at all levels.

SPECIALIZATION OF REGIONS

An extremely high degree of concentration is characteristic for the industry of Khakassia. The major enterprises of Khakassia are located in Sayanogorsk (the Sayansky aluminum factory), in Chernogorsk (Siteks, JSC and Iskoz Plant), and Abakan (Abakanvagonmash, JSC).

The Abakan junction specializes in machine building (Abakanvagonmash, which provides over 5% of Russian production of freight wagons, and also experimental mechanical, steelmaking and container factories), development of agricultural raw materials (meat combine, beer brewery and dairy factories), and the manufacture of shoes and knitwear.

The Chernogorsk junction is the center of the Minusinsk coal basin (the Khakasskaya and Yeniseiskaya mines, and the Chernogorsky coal strip mine), and the Stepnoy open-pit mine.

The basis of the city's economy is the Chernogorsk branch of the Siberian Coal Energy Company (production of coal), and there is also a furniture factory and a house building plant. The Sayanogorsk junction has one of the three largest aluminum factories in Russia, the Sayansky Aluminum factory.

In Sayanogorsk there is a group of construction industry enterprises (the Sayanmramor plants of demountable buildings and house construction). Further up the Yenisey are

the Sayano-Shushenskaya and Mainskaya hydroelectric stations.

TI COMPLEX: REGIONAL FEATURES

The timber industry of Khakassia is the oldest of the republic's industries. It currently accounts for around 15% of workers employed in industry in Khakassia, over 6% of the total volume of industrial production, and 3% of basic production assets.

The timber industry of Khakassia is of great importance in the development of inter-regional economic ties. At the same time, its production is widely used to provide for the needs of the republic's economy. The timber industry of Khakassia is made up of felling and woodworking, and also wood-chemical industry.

The total supply of timber in the Republic of Khakassia is 464.5 million m3 consisting of mature and overmature forests, of which over 75% are coniferous plantations. Forests of the first group occupy 57% of forest territory, the second group occupies 21% and the third group 22%. Cedar forests make up around 30% of all supplies. 177.8 million m3 can be used.

Over 80 organizations are involved in the forest industry of the republic, and 31 of them are private entrepreneurs. Around 35 enterprises and organizations are involved in felling, and there are over 40 organizations in wood working and furniture manufacture. A total of around 4,000 people are employed in the industry.

Felling is carried out by specialized enterprises, for example the Abazinsky and Matursky forest farms. The main forms of felling industry production of Khakassia are sawn timber, shoring timber, railway sleepers, and other industrial timber.

The woodworking industry processes around 2/3 of all timber felled; the rest is exported. Around 80% of wood production exported is unprocessed timber. This industry is represented by such factories as the Ust-Abakansky wood plant, the Chernogorsky house-building plant, the Abakansky and Chernogorsky furniture factories, the Askizsky woodworking plant, the Bogradsky and Ordzhonikidzevsky woodworking plants, etc.

Wood chemistry is represented by the Ust-Abakansky hydrolyzed factory, built in 1955. By type of production, it is part of the microbiological

industry, and by technology it is part of the wood chemistry industry. The main production of the factory is ethyl alcohol from sawmill waste, which is sent to chemical enterprises in Krasnoyarsk as a raw material for treatment of various types of products. The fodder yeast produced by the factory is used for livestock breeding needs.

Important tasks of the forest industry include increasing the complexity of raw materials processed, and limiting the felling of timber in order to protect the environment and restore the forest cover.

In February 2007, the Russian Federation Ministry of Conservation Forestry Board was created. It is a permanent advisory body that ensures the realization of the Ministry of Conservation's powers in developing state policy and regulatory work in the forestry sphere. The goal of the Forestry Board is to assist the realization of the Concept for the Development of Forestry for the Period until 2010, and also to prepare projects for solutions to issues of state policy in regulating forestry relations.

The Forestry Board includes representatives of federal bodies of executive power, presidential representatives, and administrative heads of all Russian regions or representatives of them. Khakassia is represented by the head of the State forestry committee, Nikolai Khabarov. In 2007, the Khakassia State forestry committee held 55 auctions of standing forest.

This year, 20 felling sites were sold to woodcutters. Another 13 felling sites were put up for the next auction. The volumes of felling in Khakassia are a long way off the potential amount. There are practically no major forest operators in the republic, so on average only around 10% of the periodic yield is logged per year. The utilization of the periodic yield in the first half of 2008 came to around 6.2%. 125,400 m3 of timber was produced from principal felling.

Today the average price of one m3 of 'live' timber in Khakassia is just over 30 RF rubles. After felling and processing, the cost of the timber increases by approximately 100 times.

Thus, the price of a beam from a coniferous species is around 3,400 RF rubles per m3. Other square-sawn timber costs approximately the same.

M. Evseeva



**SIBERIAN
FEDERAL DISTRICT**

Omsk
Region



Tomsk
Region



Novosibirsk
Region



Krasnoyarsky
Krai



Republic of
Khakassia



Irkutsk
Region



Republic of
Buryatia



**FAR EAST
FEDERAL DISTRICT**

Republic of Sakha
(Yakutia)



Khabarovsk
Territory



Primorye
Territory



THE FLOW OF INVESTMENT ACTIVITY WILL DRY UP WITHOUT GOVERNMENT SUPPORT

In the conditions of the modernization and restructuring of the economy, a key task of the Government of the Republic of Khakassia is to gain state support for the launch of new facilities, resource saving, integration into the economy of Siberia and Russia as a whole, and to advance production on new markets.

One of the priority areas of activity of the Republic Government is to assist the realization of investment potential. Priority spheres of the economy of the Republic of Khakassia where cooperation with Russian and foreign investors is possible are: non-ferrous metallurgy, the power industry, the fuel industry, machine building and metal working, the construction materials industry, the wood and woodworking industries, light and food industries, trade and tourism.

In order to minimize the risks connected with a possible non repayment of loans provided, or an inappropriate or ineffective use of funds, representatives of state power conduct constant monitoring of realization of investment projects realized from budget funds. Investment projects realized as part of budget target programs should follow such principles as:

- the optimization of state obligations;

- the rejection of financial investment projects which do not match priorities of state investment (the main priorities applied in selecting buildings and objects to be included on the List of Buildings and Objects for Republic State Needs);

- the inclusion of objects whose construction is of republic significance onto budget target programs;

- the insurance of maximum social-economic effectiveness of investment spending from the republic budget;

- and insuring information transparency about the actions of the authorities in this area.

An alternative assessment of investment projects by employees of bodies of state power may involve bringing in auditors on a competition

basis. But here the experience that already exists in the region should be taken into account, which shows that the involvement of auditors cannot always reduce credit risks in the financing or guaranteeing of investment projects.

LEGAL BASE

The investment legislation of Khakassia is represented by the following documents:

- Law of the Republic of Khakassia of June 30, 2004 №38 'On State Support of Investment Activity in the Territory of the Republic of Khakassia';

- Decree of the Government of the Republic of Khakassia of August 26, 2004 №228 'On the Provision of State Support of Investment Activity in the Territory of the Republic of Khakassia';

- Decree of the Government of the Republic of Khakassia of April 28, 2005 №121 'On the Organization of Competitions to Receive State Guarantees of the Republic of Khakassia';

- Decree of the Government of the Republic of Khakassia of June 30, 2005 №245 'On the Procedure of Assessment and Monitoring Investment Projects';

- Decree of the Government of the Republic of Khakassia of January 25, 2006 №04 'On the Approval of Regulations on the Investment Fund of the Republic of Khakassia';

- Order of the State Committee for Industry and Enterprise of the Republic of Khakassia

of October 21, 2004 №63 'On the Approval of the Regulation of Assessment of Investment Projects'.

The law on state support of investment activity is aimed at stimulating investment activity of economic subjects in the territory of the Republic of Khakassia regardless of their ownership and in accordance with the legislation of the Russian Federation. The legislation of the Republic of Khakassia establishes forms of state support of investment and the procedure for providing this support by bodies of state power of the Republic of Khakassia.

Investors realizing investment projects in the territory of the Republic of Khakassia have equal rights in receiving the established forms of state support. In accordance with the law on investment, the government of the Republic of Khakassia passed the decree 'On the Provision of State Support of Investment Activity in the Territory of the Republic of Khakassia', which determines the staff of the commission on investment under the government of the Republic of Khakassia, and also the regulation on the Commission confirming the list of documents and form of application. The Chairman of the Commission on Investment is the Deputy Chairman of the Government of the Republic of Khakassia, the Minister of Finance and Economy of the Republic of Khakassia, A. Ivanov. The commission conducts an expert evaluation of the projects.

State support in realization of investment projects is provided based on the results of a competitive selection of investment projects included in the list of investment projects.



**SIBERIAN
FEDERAL DISTRICT****Omsk
Region**

Funds for support of realization of investment projects are stipulated by the law on the budget for the present financial year. Furthermore, investment support is carried out through the Fund for Supporting Small Enterprises of the Republic of Khakassia in the form of budget loans provided to the fund.

**Tomsk
Region**

The procedure of attracting investors to the republic is open. Information on investment projects is placed on information and telecommunication networks of public use (including the Internet). In August of last year, a register of investment projects was created on the initiative of the president of the Chamber of Commerce and Industry of Khakassia, Serzh Adamyan. It is a list of promising enterprises which could make profit over a relatively short time, and also calculations of proposed expenses and the economic benefits. The register is information that is open to the public and is available on the site of the Ministry of Economic Development of the Republic.

**Novosibirsk
Region****Krasnoyarsky
Krai****Republic of
Khakassia****BUDGET ALLOCATIONS**

Changes have been made to the rules of forming and using budget allocations of the RF Investment fund, approved by decree №134 of March 1, 2008.

**Irkutsk
Region****Republic
of Buryatia**

The RF ministry of regional development was charged with allocating up to 80 billion RF rubles from the RF investment fund towards financing investment projects of regional and inter-regional significance.

In concurrence with the RF Finance Ministry and Ministry of Economic Development, the

Ministry of Regional Development will approve the method of calculating figures and applying criteria of effectiveness of regional investment projects within a three-month period from the date that this decree comes into effect.

The maximum amount of budget allocations from the investment fund which can be given during the course of one financial year to the realization of regional investment projects is determined for each region of the Russian Federation in accordance with the method of calculating figures and applying criteria of effectiveness of regional investment projects.

Regional investment projects will be subject to selection on the basis of figures of financial, budget and economic effectiveness (quantitative criteria).

Supreme executive bodies of state power of RF regions, which are the coordinators of regional investment projects, sign investment agreements with investors taking part in the realization of regional investment projects, within a 30-day period from the date that budget allocations from the investment fund are paid.

The government commission, in its turn, examines applications for provision of budget allocations of the investment fund approved by the investment commission and passes a decision concerning all these applications no later than December 1 of the according financial year.

*M. Evseeva***INVESTMENT PROJECTS****Sayanles, Ltd.**

Project description Modernization of existing wood-processing factory (annual volume of processed timber – 120,000 m³, project's profitability – 40%)

Required volume of investment 41 million RF rubles

Recoupment period 5 years

Director Evgeny Nikolaevich Khrapov

Address 655250, Republic of Khakassia, Ordzhenikidzevsky district, Kopyevo settlement, Chkalova St., 38

Phone +7 (3903) 62-18-66

E-mail saynles_khrapov@khakasnet.ru

Tekhinkom, CJSC

Project description Organization of production of export lumber

Required volume of investment 1,689,600 RF rubles

Recoupment period 9 months

Managing Director Vladimir Vladimirovich Kryukov

Actual address Republic of Khakassia, Abakan, Marshala Zhukova St., 10

Postal address 655012, Republic of Khakassia, Abakan, Skladskaya St., 11

Phones +7 (3902) 25-26-11, 29-15-31, 25-26-11

E-mail dokfuomz@dimetra.ru

Terentyev V. N., Private Entrepreneur

Project description Deep processing of round timber with further use in the manufacture of glued construction beams for construction materials, and finishing articles for assembly of ready-made small houses

Required volume of investment 60 million RF rubles

Recoupment period 5 years

Contact person Alexander Olegovich Lebedev

Actual address 655162, Republic of Khakassia, Chernogorsk, Sovetskaya St., 155/1

Postal address 655015, Republic of Khakassia, Abakan, Budennogo St., 116, PO Box 978

Phones +7 (3902) 28-45-98, +7 (960) 775-24-35

E-mail lamplit73@mail.ru

**FAR EAST
FEDERAL DISTRICT****Republic
of Sakha
(Yakutia)****Khabarovsk
Territory****Primorye
Territory**



**SIBERIAN
FEDERAL DISTRICT**

**Omsk
Region**



**Tomsk
Region**



**Novosibirsk
Region**



**Krasnoyarsky
Krai**



**Republic of
Khakassia**



**Irkutsk
Region**



**Republic of
Buryatia**



**FAR EAST
FEDERAL DISTRICT**

**Republic
of Sakha
(Yakutia)**



**Khabarovsk
Territory**



**Primorye
Territory**



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Ecology and Nature Management Committee of the Supreme Soviet

Chief – Mikhail Vasilievich Zaitsev
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Address 655000, Abakan, Lenina St., 67
Executive Department
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E-mail bnp52@mail.ru
Website www.rhlider.ru

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Website www.khsu.ru

N.F. Katanov State University of the Republic of Khakassia

Director – Gennady Stanislavovich Suvrilolo
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Khakassia Research Institute of Agricultural Problems, Siberian Branch, RAS

Director – Vadim Konstantinovich Savostianov
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Fax +7 (3903) 22-10-64
E-mail savostyanov17@yandex.ru
Website www.sorashn.ru

Main Enterprises of the Republic of Khakassia

Name	Activity	Address	Contacts
12 Chairs Furniture Mill, Ltd.	Case furniture production	Legal: 655010, Abakan, PO Box 555 Actual: 655010, Abakan, Kirova St., 255	Ph.: +7 (3902) 28-52-20, 23-77-23, info12st@inbox.ru
Abakansky TPM, JSC	Woodworking. Woodworks and containers production. Packaging	662618, Abakan, Gavan St., 1B	Ph. +7 (3902) 24-00-90
Astra, Ltd.	Wooden moldings production: lining boards, beams, fabricated wood blocks, staircases, glued shields. Wooden houses from glued beams	655012, Abakan, Pushkina St., 65	Ph.: +7 (3902) 22-44-92, 22-68-62, astrawood@mail.ru, www.astrawood.ru
Chernogorskmebel	Furniture production	655162, Republic of Khakassia, Chernogorsk, Sovetskaya St., 155	Ph.: +7 (39031) 2-15-98, 2-26-49, cher-mebel@mail.ru
Derevyannye Tekhnologii, Ltd. Representation in Abakan	Wooden house building: glued beams and round logs constructions. Frame and panel houses production	655750, Republic of Khakassia, Abaza, Naberezhnaya St., 25	Ph. +7 (913) 054-55-10, www.drevtex.ru
Doka Company	Wooden house building: wooden euro windows and different kinds of doors production. Manufacturing of woodworks	Production base: 655017, Abakan, Itygina St., 19 Customer service: 655017, Abakan, Chertygasheva St., 89	Ph.: +7 (3902) 28-55-14, 28-50-77 (Production base), +7 (3902) 24-90-16 (Customer Service) doors@khakasnet.ru, www.doka.sib-info.ru
Eles, Ltd.	Deep wood-processing, woodworking	655250, Republic of Khakassia, Ordzenikidzevsky district, Kopyevo settlement, Chkalova St., 38	Ph. +7 (3903) 62-18-66, borus@list.ru
Green House, Ltd.	Timber logging. Wooden house designing and building	655017, Abakan, Skladskaya St., 11Л	Ph. +7 (3902) 24-65-40, dmitribelov@mail.ru, www.ghsib.ru
Khakasles, JSC	Timber logging. Lumbering. Wood-processing. Wood sawing	655600, Republic of Khakassia, Sayanogorsk, Industrialnaya St., 35Ф	Ph. +7 (3904) 27-64-44, truyfmegapolis@yandex.ru
Lenets S.P., Private Entrepreneur	Wood sawing. Moldings and edged boards' production	655600, Republic of Khakassia, Sayanogorsk, Leningradsky micro-district, 38, app. 80	Ph.: +7 (902) 996-69-15, (3904) 22-15-47, www.kopach007.palki.ru
Les Khakassii, Ltd.	Timber logging. Lumbering. Wood sawing.	655750, Republic of Khakassia, Abaza, Promyshlennaya St., 8	Ph.+7 (39047) 2-81-11, 2-81-11, Lesprom-abaza@mail.ru, www.leskhakas.ru
Modern, Operating Commercial Company	Case furniture optional production	655017, Abakan, Fabrichnaya St., 34Д	Ph.: +7 (3902) 25-19-11, 25-19-8, modern99@bk.ru, www.modern99.ru
Rusky Les, Ltd.	Wooden house construction	655010, Abakan, Torosova St., 12, app. 111	Ph.: +7 (3902) 26-71-79, (961) 742-54-31, (913) 540-22-94, Russian_wood@mail.ru
Sayanleskom, Ltd.	Timber logging. Lumbering. Wood sawing.	655600, Republic of Khakassia, Sayanogorsk, 9 th micro-district, 4, app. 187	Ph. +7 (902) 996-41-61, ronin73@bk.ru
Sibirskaya Lesnaya Kompania, Ltd.	Deep timber-processing. Wooden and glued constructions' production	655015, Abakan, Budyonnogo St., 116	Ph.: +7 (3902) 28-46-27, 28-45-95, siblk@inbox.ru
Sibirsky Les, Building Company	Timber logging and woodworking: round timber	655010, Abakan, Kirpichnaya St., 115	Ph.: +7 (3902) 26-55-51, 26-39-24, 26-08-78, 26-08-77, Sibles-ermak@mail.ru
'Sibles', Wood sawing plant, Ltd.	Wood sawing	655100, Republic of Khakassia, Ust-Abakan settlement, Kosmonavtov St., 3	Ph. +7 (3903) 22-90-50
Tekhinkom, CJSC	Plywood and panels' producing	655004, Abakan, Skladskaya St., 11, PO Box 371	Ph. +7 (3902) 28-51-44, 39022/54612@mail.ru
Terentyev V.I., Private entrepreneur	Deep processing of round timber, glued construction beams' manufacturing	655015, Abakan, Budyonnogo St., 116, PO Box 978	Ph. +7 (3902) 28-45-98, +7 (960) 775 24 35, lamplit73@mail.ru

**SIBERIAN
FEDERAL DISTRICT**

Omsk
Region



Tomsk
Region



Novosibirsk
Region



Krasnoyarsky
Krai



Republic of
Khakassia



Irkutsk
Region



Republic
of Buryatia



**FAR EAST
FEDERAL DISTRICT**

Republic
of Sakha
(Yakutia)



Khabarovsk
Territory



Primorye
Territory



THE IRKUTSK REGION – A REGION OF GREAT OPPORTUNITIES

The Irkutsk region (it also has the unofficial name of Priangarye) is one of the regions in Russia where the forest industry is most developed. There are major enterprises in the region territory (pulp-and-paper mills; joint enterprise manufacturing large volumes of sawn timber for export), and a large number of small businesses. The Irkutsk region is one of the largest thickly wooded areas of the Russian Federation, so it provides great opportunities for investors in forestry.

Some facts and figures

Regional territory – 774,800 km² (4.6% of the territory of Russia).

The Irkutsk region is located in the center of Russia at a distance of over 5,000 km from Moscow and over 4,000 km from Vladivostok. It is part of the Siberian federal district of the Russian Federation and located in the southern part of East Siberia. It borders the Krasnoyarsky krai, the Republic of Buryatia, the Chita region, the Republic of Tyva, and the Republic of Sakha (Yakutia).

The capital is the city of Irkutsk (population 575,900).

A large area of Lake Baikal is located in the Irkutsk region.

The climate is continental; the average temperature in January varies from -15°C in the south to -33°C in the north, and the average temperature in July is between 17°C and 19°C. The entire territory of the region is in a permafrost zone.

The region is divided into 33 sub-regions, including the six districts of the Ust-Ordynsk Buryat autonomous region.

The population of the region is 2,513,800, with the majority of the population (79%) living in urban areas.

2,900 forestry enterprises operate in the area.

The main transport line of the Irkutsk region is the Trans-Siberian Railway. The western section of the BAM railway crosses the territory of the region from the city of Taishet to the east. The length of railway track in general use is around 2,500 km.

FOREST RESERVE

The supply of timber in the Irkutsk region is over 9 billion m³ and the periodic yield is 52.7 million m³, including 34.4 million m³ of coniferous wood. According to industry scientific organizations, approximately 40% of the periodic yield is used. In total, forest lands in the Irkutsk region (land covered with forest, and also not covered with forest but intended for forest growth) make up 86% of its territory. Forest lands make up 92.2% of the area of the forest reserve, and only 8% of lands are not intended or not suitable for production of timber. In comparison forest lands in Russia as a whole make up only 75.1% of the territory of the forest reserve.

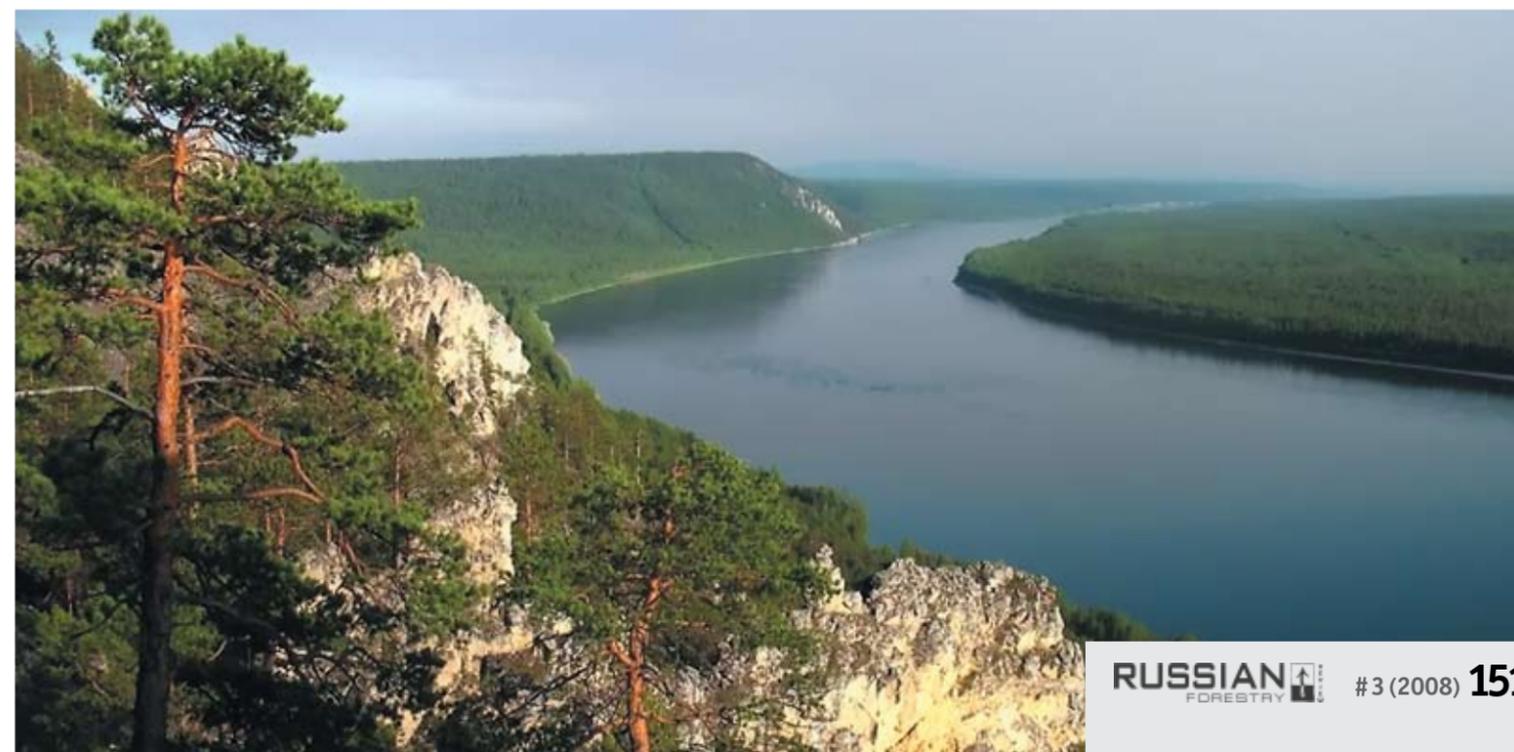
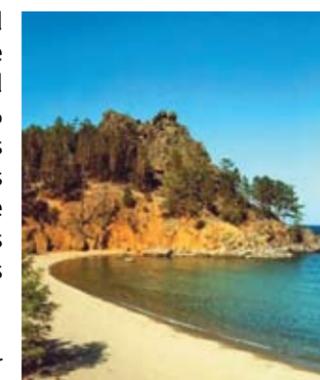
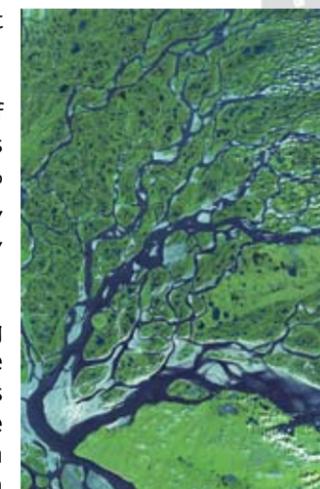
The last large-scale study of the characteristics of the forest reserve of the region was conducted in 2006 as part of preparations for a Concept of the development of the forest industry complex of the Irkutsk region for the period of 2006-2015. According to this data, the forest land percentage of the region (as of 1 January 2006) came to 82.3%. Forest land percentage is determined as the ratio of lands covered with forest to the total area of the administrative lands, including Lake Baikal, the reservoirs of the Angar Cascade hydroelectric station and other bodies of water. Deviation from the average forest land percentage in the region is high in administrative regions, from 35.7% in the Olkhonsky region to 95.9% in the Ust-Kutsky region. In comparison, the average forest land percentage in the Russian

Federation is 45.3%, and 28% for the planet as a whole.

76% of forests in the Irkutsk region consist of plantations with a predominance of coniferous species, 17% of soft-wooded broadleaf, and 7% of shrub lands. If only growing stock is counted, coniferous forests account for 81% of the area, and soft-wooded broadleaf accounts for 19%.

In the Irkutsk region, the main object of felling is pine. The high technical qualities of pine timber make it particularly valuable for all types of wood production. The main masses of pine forests are concentrated in the Angara basin in the southern part of the Central Siberian plateau. Pine, which is constantly in demand not just in the forest industry, but also in the consumer sphere in Russia and on the world market, occupies 15.1 million hectares, or 25% of lands covered with forest. No other regions or republics of the country can boast of this wealth. The percentage of pinewood in the region is even significant on the global scale, as pine forests occupy around 325 million hectares in total around the world.

7,148 hectares of taiga are made up of cedar forests, or 12% of lands covered with forest. Cedar in the Irkutsk region makes up 18% of the total area of cedar forests in the country (39.7 million hectares). Only in the Krasnoyarsky krai does the area with predominance of cedar exceed the Irkutsk region. The main area of cedar in the krai is 5.6 million hectares (81%)



**SIBERIAN
FEDERAL DISTRICT**

**Omsk
Region**



located in mountainous area, where the amount of cedar growing stock reaches 22%.

Larch forests are prevalent in the northern regions of the Irkutsk region. Owing to the poor development of transport routes in areas where larch grows, and also because of the specific physical and mechanical qualities that complicate processing timber, larch forests are virtually untouched, although the high technical qualities of larch make it possible to be used instead of oak and beech.

**Tomsk
Region**



**Novosibirsk
Region**



The largest supplies of mature wood are concentrated in the following region districts: Ust-Ilimsky, Chunsky, Kirensky, Bratsky, Ust-Kutsky, Nizhneilimsky and Kazachinsko-Lensky. The total supply of timber in the region forests is 9.05 billion m³) including mature and over-mature forests (5.22 billion m³), and growing stock with a predominance of coniferous species (4.54 billion m³).

**Krasnoyarsky
Krai**



**Republic of
Khakassia**



Mature forests suitable for use cover an area of 11.6 million hectares, which makes up 20% of lands covered with forests. They consist of pine (34%), larch (30%), spruce (8%), fir (6%), beech (14%), aspen and poplar (8%). The percentage of growing stocks with a predominance of coniferous species is 78% of the area of the used reserve, which characterizes it as having a high value for forest operators. The remaining forests cannot at present be involved in industrial use, as they either have not reached the age for felling, or they perform specific functions with a strict management regime where felling of general use is prohibited, or are in an area of the region that is not accessible by transport.

**Irkutsk
Region**



**Republic of
Buryatia**



**FAR EAST
FEDERAL DISTRICT**

**Republic
of Sakha
(Yakutia)**



**Khabarovsk
Territory**



**Primorye
Territory**



Timber resources of forests that can be used in the region as a whole come to 2,697 million m³, and 40% of them are especially valuable pine growing stocks, which are the most in demand among forest operators. Forest areas that are suitable for felling are distributed around the region very unevenly. In traditional felling areas along the Trans-Siberian railway and around the Bratsk reservoir, the forest resources are exhausted. And on the contrary, in the northern and eastern regions of the region, forest use is insufficiently developed, and there is a predominance of mature and over-mature trees.

According to data from scientific institutes, the regions where the development of the periodic yield requires less expenses are the territories of

the Baersky, Zhigalovsky, Ikeisky, Kazachinsko-Lensky and other forest farms. The greatest resource potential is possessed by the Kirensky forest farm, but developing its periodic yield will require considerable expenditure.

INVESTMENT PROJECTS

The Irkutsk region is a Russian region with a developed forestry complex, and is therefore considered to be a favorable region for major investors. According to data from the regional administration, there are currently around 2,900 forestry enterprises in the area. Furthermore, in various sub-regions of the Irkutsk region, new enterprises regularly appear. Several of them have submitted applications for inclusion on the list of priority investment projects in forest exploitation of the Russian Federation Ministry of Industry and Energy.

**MAJOR FORESTRY ENTERPRISES OF THE
IRKUTSK REGION**

In the Irkutsk region are situated two branches of **Ilim Group**, a major forest products company in Russia. The Bratsk branch of Ilim Group was formed in July 2007 on the basis of Bratsk Pulp-and-Containerboard Mill. The capacity of the enterprise is 1068 tonnes of pulp. The branch manufactures more than 20% of all Russian market pulp, and around 7% of board of all types. The production capacity of the mill up to 4.5 million m³ of timber annually. The logging company supplying timber for the Bratsk Branch of Ilim Group **Logging and Timber Rafting Department, CJSC** is an enterprise that fells, transports and splits timber, and delivers raw material to the Bratsk branch of Ilim Group. The department leases a total of 1.4 million hectares of forest reserve with a 217 million m³ supply of mature timber. The average liquid supply of timber for 1 hectare of operational area is around 155 m³. The period yield of principle felling is 3 million m³ per year, and 1.66 million m³ of it is coniferous timber. The Ust-Ilimsk branch of **Ilim Group** was formed in July 2007 on the basis of the Ust-Ilimsk forestry industrial complex, one of the largest wood chemical enterprises in the world. The mill accounts for over 25% of market pulp produced in Russia. The mill exports up to 90% of the total volume of bleached pulp: the main importers are Asian and European countries. The project capacity of the complex after modernization in 2006 was increased by

Distribution of lands of the Irkutsk region covered by forest, by dominant species

Dominant tree and shrub species	Area, thousands of hectares		Supply, millions of m ³	
	Total forest	Including mature and over-mature	Total forest	Including mature and over-mature
1. Main forest forming species				
Coniferous				
Pine	15,122.60	6,537.40	2,558.73	1,554.85
Fir	3,291.10	1,928.90	470.74	337.45
Silver fir	1,660.20	942.40	321.58	219.14
Larch	18,327.30	10,451.20	2,585.48	1,932.83
Cedar	7,147.70	1,397.30	1,690.14	411.57
Total coniferous	45,548.90	21,257.20	7,626.67	4,455.84
Softwood				
Birch	7,789.40	2,369.70	685.48	373.90
Aspen	2,736.30	1,071.70	344.37	259.12
Poplar	2.30	2.10	0.47	0.46
Willows	18.40	1.80	0.84	0.24
Total soft-wooded	10,546.40	3,445.30	1,031.16	633.72
Total forest forming	56,095.30	24,702.50	8,657.83	5,089.56
2. Other tree species				
Other tree species	0.80	0.70	0.12	0.11
Total other species	0.80	0.70	0.12	0.11
3. Shrubs				
Shrub birches	1,505.90	431.90	12.56	4.80
Shrub willows	98.99	63.20	1.00	0.70
Dwarf Siberian pine	2,408.30	727.80	103.06	27.41
Other shrubs	2.20	0.00	0.02	0.00
Total shrubs	4,015.39	1,222.90	116.64	32.91
Total	60,111.49	25,926.10	8,774.59	5,122.58

Data provided by the Department of Forestry of the Irkutsk region

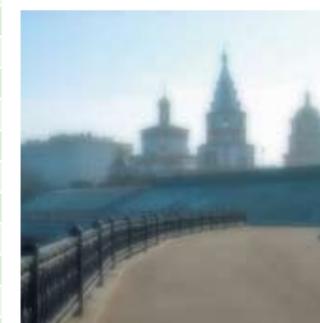
26% and accounts for 630,000 tonnes of market pulp per year. The logging company supplying timber for the Ust-Ilimsk branch is IlimSibLes, JSC. This company fells, transports and splits timber, and is the supplier to the Ust-Ilimsk branch. IlimSibLes has a resource base with an area of 1.8 million hectares with a supply of mature and over-mature timber of 289 million m³. The average liquid supply of timber for 1 hectare of operational space is around 183 million m³. The periodic yield of principle felling is 3.5 million m³ per year, of which 2.5 m³ is coniferous timber. The volume of felling in 2007 was 2.97 million m³. Direct delivery to the complex equaled 3,34 million m³.

Baikalsky Pulp-and-Paper Mill, JSC (Slyudyansky region, Baikalsk), is one of the enterprises owned and managed by Continental Management Forestry Company, JSC. It manufactures pulp, wrapping paper and related products. The estimated capacity is 200,000 tonnes of pulp; 12,000 tonnes of wrapping paper; 9,680 tonnes of tall oil and 2,090 tonnes of turpentine brick.

Russian Forest Group, formed in 2005, manages forestry assets in the Irkutsk region. The group owns felling and processing enterprises (including Kirenskleks, SAL-Group, Igirma TPM). The area leased by Russian Forest Group in the Irkutsk region is 1.1 million hectares. The main types of production manufactured by the Group and exported to Egypt, Japan, Korea and European countries are saw logs, sawn timber and pulp wood.

Trans-Siberian Forestry Company carries out felling in the Ust-Kutsky region. The company plans include organizing a wood-sawing and processing complex, which manufactures at least 500,000 m³ of sawn timber per year, as well as fuel granules, glued constructions, boards, wooden prefabricated houses and OSB.

Ruslesprom, Ltd. is located in Ust-Ilimsk. The main forms of activity of the company are felling and initial processing of sawn timber from coniferous species; manufacture of sawn timber, including molding timber; wholesale retail of sawn materials (both for export and the



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**Irkutsk
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domestic market); and manufacture of elements for Japanese traditional house building.

Chunsky Forestry Plant, JSC leases divisions of the forest reserve in the Chunsky forest district. The enterprise focuses on felling and complete processing of wood for sawn timber, joinery and finishing materials. The average number of employees is 1,100 people.

TM Baikal, Ltd. is located in Svirsk. The main specialty is processing timber and manufacturing high-quality sawn timber. At present the enterprise is working at full capacity. One of the main types of activity is the production of wooden construction items that are exported to Japan.

The main type of activity of **Madera, CJSC** (Dako-Lesprom, CJSC until September 13, 2007) – madera means timber in Spanish – is wood sawing and complete processing of timber. Madera produces a wide assortment of finishing materials, and sawn timber of various sizes. Another area of work for the company is binding and gluing timber for construction beams.

Yurtinskles, JSC carries out felling and processing of timber in the Taishet region of the Irkutsk region. The enterprise produces sawn timber, construction materials and furniture, and exports wood production to Germany, Jordan, Italy, Finland and Japan.

PIK-89, Ltd. is located in the Ust-Ilimsk region. The enterprise manufactures and exports

coniferous sawn timber and carpentry items.

Yantalles, CJSC (Ust-Kutsky region, Yantal village) carries out felling, wood-processing, and manufacture of sawn timber.

Sibirskie Terema, Ltd. (Shelekhovskiy region) manufactures wooden glued constructions for low-level house construction. The production capacities of the enterprise make it possible to manufacture up to 800 m³ of products per month (1,500-2,000 m² of housing).

Six applications to be included on the list of priority projects from Irkutsk enterprises were examined by the region administration. They are made up of the project of **Russian Forest Group** for construction of a sawing and processing complex in the Nizhneilimsk region at a cost of 3.3 billion RF Rubles, and also projects of **Badinsky TPM, JSC, KLPH, Trans-Siberian Forest Company, Ltd., Ilim Group, Osetrovsky TPM, Ltd.** and **Lespromexport, Ltd.**

**PIONEER IN INTRODUCING
NEW METHODS**

Baikal Wood Commodity Exchange, CJSC, the first wood exchange market in Russia, was registered in Irkutsk on August 1, 2005. The founders of the organization say that its main tasks are to organize a wholesale market of timber, production goods, agricultural and other exchange goods in Eastern Siberia and the Far East by organizing exchange business. The exchange market regularly holds trading



Krugobaikalskaya railway

sessions, where saw logs and sawn lumber are on sale. In 2007, 47 trading sessions were held at the Baikal Wood Commodity Exchange, in which 339 deals were closed.

The electronic system of round timber registration was first introduced in Russia in 2005 at the Irkutsk Customs house. The system includes giving each brand a special mark and establishing an electronic database, which the customs, tax and other supervisory bodies have access to. Now, after eliminating several problems which Irkutsk forestry workers and customs officers encountered in working with the electronic system, the federal customs service has passed a decision to introduce these methods in other Federation areas.

A certificate for wood production plays an important role in working with foreign partners. Irkutsk forestry workers pay a lot of attention to the wood certificate and the region is now in second place (after the Arkhangelsk Region) by area of certified forests.

WOOD CERTIFICATION

Around 22% of the total area of forest in the Irkutsk region are certified (in Russia just over 20 million hectares are certified). According to data for July 2008, nine enterprises hold a Forest Stewardship Council (FSC) certificate for forest management. Five enterprises hold a Chain of Custody certificate in the Irkutsk region, and a number of other enterprises are at various stages of receiving a FSC certificate. In the Irkutsk region, practically all certified forests are in the so-called northern branch, and we may say that the centers of certification are the cities of Bratsk and Ust-Ilimsk, and the village of Novaya Igirma.

Today there is an irregularity with the enormous certified forest areas and the relatively low numbers of certified traders and developers of forest. The head of SibirKonsalt consulting company, Pavel Trushevsky, believes that this can be explained by the fact that until recently in Siberia there was no market of FSC-certified timber materials. However, recent trends show that FSC-certified materials are becoming popular not just in the traditionally ecologically responsible markets of Europe and the USA, but also in Asian countries, primarily in Japan, China and Vietnam. So in 2008 in the Irkutsk region, we can expect the certification of several more major wood-processing companies

which do not have a lease base.

The managing director for forest resources at Ilim Group, Ken Manson, reported the plan to raise the level of FSC-certified wood delivered to the Bratsk and Ust-Ilimsk sites of the group to 100%.

According to Pavel Trushevsky, the deficit of FSC-certified round timber in the Irkutsk region comes to several million m³ per year, and over time the demand for it will only increase.

The problems that investors face with the opening of forest industry production in the Irkutsk region are primarily connected with the geographical location of the region. On the one hand, this is an advantage for the region compared with many other regions of the Russian Federation as the distance from major industrial centers and low population density have enabled the region to preserve large supplies of forest. But on the other hand, the lack of a qualified work force and major expenses on transporting production, and lack of developed infrastructure in remote regions causes difficulties for the industry.

**SUPPORT FROM THE REGIONAL
ADMINISTRATION**

Representatives of bodies of power express dissatisfaction over the large number of lone firms which export plank timber, and they have announced several times that they wish to increase the quantity of production of deep processing of timber. They aim to more effectively use the region's forest resource potential; to reduce the amount of round timber exported; to broaden deep processing of timber with development of coniferous, small-scale timber and product waste; to organize a complete cycle of pulp-and-paper production; to develop production of wood boards (MDF, OSB, plywood and others), and to organize production of furniture.

Thus, the priority investment projects are the ones which make it possible to use raw wood most completely, and which involve large volumes of processing because large enterprises have more possibilities for deep processing of timber.

The Irkutsk region administration pays particular attention to reducing the volume of round timber exported, of which the main importer is still China, while a small percentage is sent to



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Japan and Korea. Japan is the leading importer of sawn timber from the Irkutsk region.

The Department of the Forestry industry and Water Resources has developed a set of proposals for potential investors, which include both large and medium projects, some of which are unique. Some of them are outlined below:

**Tomsk
Region**



Construction of a pulp-and-paper enterprise with the organization of production of containerboard and bag paper at an output of 280,000 tonnes, and of commercial bleached with an output of 250,000 tonnes. The place of realization is the Ust-Kutsky region. The proposed volume of expenditure on the project is 900 million US Dollars. The mill is proposed to be built in two stages. The total demand for raw wood is 2.9 – 3.0 million m³ of coniferous and deciduous species.

**Novosibirsk
Region**



Organization of a KHTTM plant with capacity of 200-300,000 tonnes. The preferable species of timber are spruce, fir and aspen. The place of realization is the Taishet region. The proposed volume of expenses is 200-250 million US Dollars. KHTTM is a fibrous product of high yield, created by mechanical processing of timber. Its production is now developing swiftly in countries with a developed pulp-and-paper industry. There is a particular increase in demand for bleached KHTTM, which is explained by the improvement of the qualities of the mass and the expansion of the assortment of paper and cardboard, where this product is used. KHTTM is widely used in compositions for the

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production of newspaper, writing paper and newsprint, various types of cardboard, and sanitary paper.

The production of MDF boards with a capacity of 35,000 m³. The place of realization of the project is the Ust-Kutsky region. The proposed volume of expenditure on the project is 18-20 million US Dollars. MDF boards are a modern, high-quality and durable material in comparison with fiberboards and chipboards, and have a wider range of use.

The organization of production of oriented string boards (OSB) with a capacity of 35,000 m³. The place of realization of the project is the Ust-Ilimsky region. The proposed volume of expenditure on the project is 18 million US Dollars. Various species can be used to manufacture OSB boards, but preference is given to aspen.

The production of dihydroquercetin with a capacity of 3 tonnes per year. The place of realization of the project is the Angar region. The proposed volume of expenditures on the project is 1 million US Dollars. Dihydroquercetin (taxifolin), a natural flavonoid in the Vitamin P group, finds wide application in medicine as a medical preparation, in the food industry as a preservative and additive, and is also used for preparing diverse medical food compositions, the consumption of which is relevant in conditions of high risk of an increase of processes of peroxide oxidation of lipids (in cases of poisoning, the effects of ionizing

radiation etc.). Dihydroquercetin is a valuable product of extraction from the bottom part of deciduous timber.

PROBLEMS

Until recently, one of the main problems in the forestry industry of the Irkutsk region was the lack of investments in deep processing and the exhausted state of resources. Now, thanks to the flow of investment into the forestry industry and the state policy directed towards deepening timber-processing, other problems have become more serious.

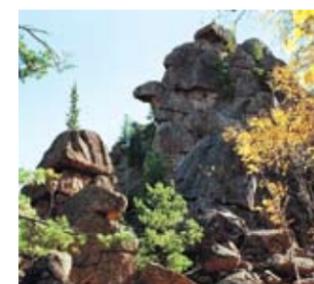
Finding a sufficient number of qualified workers, such as top managers and operators capable of working with modern equipment is now the concern for the head of any forestry enterprise of the Irkutsk region. As the magazine was informed by Anatoliy Yakimov, the head of the Trans-Siberian Forest Company (which is realizing one of the most important investment projects in the forestry sphere in the Priangarye), this difficulty is faced by enterprises in other Russian regions as well. Nevertheless, in the Irkutsk region, and namely in the Ust-Kutsky region, the problem is quite serious.

The Trans-Siberian Forest Company is forced to train its employees itself, and also invite specialists from other parts of the region and the Russian Federation. The lack of qualified staff in the region is also noted by the head of the Forestry Agency of the Irkutsk region, Sergei Zhurkov.

Sergei Zhurkov also notes one more difficulty: the lack of financing for forest roads. The lack of forest roads, including roads that work all year round, make it impossible for enterprises to make full use of the period yield, and this leads to losses.

Thus, an investor who opens a forestry enterprise in the Irkutsk region must be prepared to face certain difficulties, primarily connected with the geographical position of the region. The main problems that must be solved are listed above. However, with thorough preparation, the involvement of experienced scientific organization as consultants, and precise calculations, the resources of the Priangarye will mean that an investor can count on an effective investment of capital.

M. Solovyeva



MAIN ENTERPRISES OF THE IRKUTSK REGION

Name	Activity	Address	Contacts
Alpiysky Dom, Ltd.	Wooden house building	664000, Irkutsk, Rakitnaya St., 18	Ph. +7 (3952) 70-70-78, alpine-house@list.ru, www.alpine-house.ru
Alt Baikal, Ltd.	Woodworking tools: saws, milling cutters	664035, Irkutsk, Rabochego Shtaba St., 62	Ph.: +7 (3952) 37-64-42, 37-64-43, alt-baikal@yandex.ru, www.alt-baikal.ru
ALT, Ltd.	Woodworking equipment and tools	664035, Irkutsk region, Irkutsk-35, Shevtsova St., 10, PO Box 78	Ph.: +7 (3952) 77-79-86, 68-55-41, 77-96-06, 53-63-88, alt_irkutsk@mail.ru, www.tf-alt.ru
Alyans Delovogo Sotrudnichestva, Ltd.	Timber logging. Lumbering	664009, Irkutsk, Kultuuskaya St., 13, office 404	Ph.: +7 (3952) 25-51-29, 29-17-51
Angara-1, Ltd.	Timber logging. Angarskaya pine lumbering	664000, Irkutsk, Stepana Razina St., 27, office 703	Ph. +7 (3952) 21-17-86, angara-1@mail.ru
Babr, Ltd.	Timber logging. Lumbering. Wood sawing	666671, Irkutsk region, Ust-Ilimsk, Bratskoye Highway, 7, office 135	Ph. +7 (39535) 7-39-07, babr92@yandex.ru
Badinsky Kompleksny Lespromkhoz, Ltd.	Sawn timber production. Lumbering	665740, Irkutsk region, Bratsky district, Pokosnoye village, Sibirskaya St., 18	Ph.+7 (3953) 40-26-32
Baikal Lesobaza, Ltd.	Lumbering: beams and boards	664053, Irkutsk, Stantsia Gorka St., 5	Ph. +7 (3952) 44-43-70, lesobaza@angara.ru
Baikal-Avtotrak-Service, CJSC	Logging equipment: tractors	664024, Irkutsk, Traktovaya St., 4	Ph.: +7 (3952) 63-11-53, 63-11-52





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Baikalsky PPM	Pulp-and-Paper: cartridge paper production	665932, Irkutsk region, Slyudyansky district, Baikalsk, industrial zone	Ph.: +7 (39542) 6-11-03, 25-83-62, www.msouz.ru
Baikalskiye Kanaty, Ltd.	Woodworking equipment: steel ropes, slings for TALI machines	664007, Irkutsk, Polenova St., 18, office 318, PO Box 147	Ph. +7 (3952)255-265, bmost@irk.ru, www.baikalkanat.ru
Barsa-Les, Ltd.	Lumbering	664047, Irkutsk, Partizanskaya St., 77, office 11	Ph.: +7 (3952) 29-11-23, 20-50-84
Bars-Service, Irkutsk Representation of NPO Bars	Woodworking. Wood sawing	664053, Irkutsk, Rosy Luxemburg St., 184/9, PO Box 61	Ph. +7 (3952) 79-93-01, bars-irkutsk@mail.ru, www.npobars.ru
Benzoelektromaster, Ltd.	Woodworking equipment: chains and gasoline-powered saws. Woodworking tools: round saws, drills, milling cutters	664007, Irkutsk, Oktyabrskoi Revolutsii St., 1, office 8	Ph.: +7 (3952) 53-90-02, 53-90-01, 25-56-93, info@bem.ru, www.bem.ru
Bratsky millwork's production fabric	Lumbering. Production of chipboard, fiberboard, veneer, matches	665703, Irkutsk region, Bratsk-3, territory of Sibteplomash, JSC, ABK 'DPI', PO Box 71	Ph.: +7 (3953) 35-45-65, 35-39-61
Bratsklesstroy, CJSC	Lumbering. Production of chipboard, fiberboard, veneer, matches	665708, Irkutsk region, Bratsk, Yuzhnaya St., 18A	Ph.: +7 (3953) 43-53-86, 43-53-86, 43-92-26
Business-Contract, Ltd.	Woodworking equipment	664011, Irkutsk, Sverdlova St., 265	Ph.: +7 (3952) 20-11-83, 20-11-80
Chunales, Ltd.	Timber logging. Lumbering. Chipwood, wood flour, timber sleepers production	665514, Irkutsk region, Chunsky district, Chunsky village, Severny micro-district	Ph. +7 (39567) 2-04-16
Chunsky Lesopromyshlenny Kombinat, JSC	Timber logging. Woodworking. Wood sawing	665513, Irkutsk region, Chunsky village, Frunze St., 15	Ph.: +7 (39567) 2-11-62, 2-19-44, 2-19-04, lpk@irmail.ru
Direct-2000, Ltd.	Timber logging. Lumbering. Timber export	666661, Irkutsk region, Ust-Ilimsky district, Zheleznodorozhny village, Pionerskaya St., 22/2	Ph. +7 (39535) 5-73-28
Expotles Company, Ltd.	Lumbering. Timber logging. Furniture production	665703, Irkutsk region, Bratsk, PO Box 534	Ph.: +7 (3953) 44-17-65, 35-09-03, okma78@mail.ru
Igirma-Tairiku, SP, Ltd.	Lumbering for pulp-and-paper. Timber logging. Conifers chipwood production	665685, Irkutsk region, Nizhneilimsky district, Novaya Igirma settlement, PO Box 44	Ph.: +7 (3952) 26-09-55, 25-68-50, post@igt.irtel.ru, www.igt.irtel.ru
Ilim Bratsk DOK, Ltd.	Plywood production	665718, Irkutsk region, Bratsk, Industrial zone BLPK	Ph. +7 (3953) 49-69-54
Ilim Group, Business unit Ilim East	Pulp-and-Paper: commercial pulp, cardboard	Bratsk Branch: 665718, Irkutsk Region, Bratsk Ust-Ilimsk Branch: 666684, Irkutsk Region, Ust-Ilimsk, Forestry enterprise mill site	Ph. +7 (3953) 41-18-35, Fax. +7 (3953) 49-68-48, office@brk.ilimgroup.ru, Ph. + 7(39535) 9-22-66, Fax +7 (39535) 7-15-05, 7-70-48, office@usk.ilimgroup.ru, www.ilimgroup.com
IlimSibles, JSC	Forestry support of Ilim Group branch in Ust-Ilimsk	666684, Irkutsk region, Ust-Ilimsk -14, PO Box 318	Ph. +7 (39535) 9-41-16, www.ilimgroup.ru
Irkutsk Kami-S, Ltd.	Woodworking and wood sawing equipment. Wood cutting tools	664014, Irkutsk, General Dovator's St., 2	Ph.: +7 (3952) 70-81-47, 25-53-64, forest-garden@irmail.ru, www.kami-s.ru
Irkutskstroycenter, Ltd.	Board production	664035, Irkutsk, Kozhazavodskaya St., 9 office 2	Ph. +7 (3952) 20-02-24
Irkutskstroyoptorg (Regional representation of Vostok-Business-Center from Khabarovsk)	Board selling: OSB, OSB 3, plywood, chipboard, MDF, laminated chipboard, galvanized steel, siding panels	664014, Irkutsk, Olega Koshevogo St., 65	Ph. +7 (3952) 52-97-57
Kaimanovsky Lespromkhoz, JSC	Timber logging	665791, Irkutsk region, Ust-Kutsky district, Ruchey village, Traktovaya St., 10	Ph.: +7 (39565) 7-11-84, 7-11-85

Lenaexportles, CJSC	Timber logging	665780, Irkutsk region, Ust-Kut, Zarechnaya St., Industrial base	Ph. +7 (39565) 6-13-01
Madera, CJSC	Timber logging. Lumbering. Woodsawing	664014, Irkutsk, Polyarnaya St., 201, PO Box 78	Ph. +7 (3952) 56-09-65
MicLesCom, Ltd.	Furniture production: parquet boards from Siberian larch	664007, Irkutsk, F. Engelsa St., 8, office 207	Ph.: +7 (3952) 70-62-20, 53-80-87, parket_lux@mail.ru, www.miclescom.ru
NPO Irkutsklesotekhnika, Ltd.	Woodworking equipment	664043, Irkutsk, Ryabikova Lane, 865	Ph. +7 (3952) 21-97-04, irk-lesotekhnika@yandex.ru
Osetrovsky TPM	Wood-processing. Lumbering	666781, Irkutsk region, Ust-Kut, Kirova St., 136, PO Box 41	Ph.: +7 (39565) 6-03-01, 6-03-11
PIK-89	Timber logging. Lumbering. Wood export	666684, Irkutsk region, Ust-Ilimsk, PO Box 352	Ph. +7 (39535) 9-34-06
Plastic, JSC	Packing. Sunshield film production for lumber	665804, Irkutsk region, Angarsk, PO Box 2523	Ph. +7 (3955) 54-36-82, woodtape@plasticangarsk.ru, www.plasticangarsk.ru
Pulp-Nord Trading House, Ltd.	Board production: OSB, MDF, fiberboard	664075, Irkutsk, PO Box 3836	Ph.: +7 (3952) 23-24-92, 22-68-91, 77-95-77, albina@stvnord.ru, www.stvnord.ru
Resurslestrans, Ltd.	Timber logging	665717, Irkutsk region, Bratsk, Grazhdanskaya St., 37	Ph. +7 (3953) 48-01-25, rltbratsk@yandex.ru
Royal Wood	Woodworking. Siberian pine and larch moldings and millworks', production. Facing and construction wood materials', production	664011, Irkutsk, Marata St., 28, office 28, PO Box 42	Ph.: +7 (3952) 20-08-67, 20-00-29
Ruslesprom, Ltd.	Deep wood-processing. Timber logging. Roundwood export	666685, Irkutsk region, Ust-Ilimsk-15, PO Box 833	Ph.: +7 (39535) 9-81-00, 9-81-01, inbox@ruslesprom.ru, www.ruslesprom.ru
Severny les, Ltd.	Timber logging. Lumbering	666687, Irkutsk region, Ust-Ilimsk, Mira Ave., 69, #64	Ph. +7 (39535) 9-38-04
Sibgorproektmontag, Ltd.	Timber logging	666682, Irkutsk region, Ust-Ilimsk-12, PO Box 2689	Ph.: +7 (39535) 5-11-00, 5-86-48, 5-89-44, sibgor@inBox.ru
Sibirconsult, Ltd.	Certification. Development of forest management systems. Scientific research in forests which are in leasehold	665708, Irkutsk region, Bratsk, Pionerskaya St., 15A, PO Box 655	Ph. +7 (3953) 40-95-94, info@sibirconsult.ru, www.sibirconsult.ru
Sibirskaya Lesnaya Kompania, CJSC	Timber logging	665160, Irkutsk region, Nizhneudinsky district, Alzamay, Altayskaya St., 31	Ph. +7 (39517) 6-13-33
Sibirskaya Serebryanaya Sosna-Management, Ltd.	Timber logging. Lumbering. Millworks' production	665702, Irkutsk region, Bratsk, Hidrostroyteley, 89A, PO Box 74	Ph.: +7 (3953) 40-95-07, 40-94-18, 40-94-19, sspm@mail.ru, info@ssp-m.ru, www.ssp-m.ru
Sibirskiy Terema, Ltd.	Wooden house building. Glued constructions production	666034, Irkutsk region, Shelekhov, Stroiteley & Montazhnikov St., 15	Ph. +7 (3952) 48-00-54, market@jbk.ru, www.siberterema.ru
Sibwood, Ltd.	Woodworking	664009, Irkutsk, Sovetskaya St., 109, office 202	Ph. +7 (3952) 27-21-83
Spetservice, Ltd.	Woodworking: larch moldings production. Timber logging	665806, Irkutsk region, Angarsk, Industrial zone, first industrial block 27, building 25, PO Box 5932	Ph.: +7 (3955) 57-20-14, 57-38-26, kanat60@mail.ru
Studia Lesa, Ltd.	Wooden house building. Fine wood products manufacturing	664014, Irkutsk, Polyarnaya St., 207	Ph. +7 (3952) 65-67-72, snp_promzakaz@irk.ru
Synthesis, Ltd.	Chemistry: Wood protection	664018, Irkutsk, Primorsky micro-district, 4	Ph. +7 (3952) 42-70-76, estados@yandex.ru



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Terminal Irkutsk, Ltd.	Timber logging. Lumbering	664014, Irkutsk, General Dovator St., 2	Ph. +7 (3952) 25-55-93
Titan-Leasing, Ltd.	Leasing company	664025, Irkutsk, Pyatoi Armii St., 29	Ph. +7 (3952) 20-35-83, office@titanleasing.ru, www.titanleasing.ru
UNiK, Ltd.	Woodworking equipment and tools: selling	664024, Irkutsk, Traktovaya St., 24	Ph.: +7 (3952) 32-99-33, 32-99-34, 32-99-44, unic_@yandex.ru
Usolsky Plywood Mill	Woodworking: plywood, chipboard, fabricated wood block flooring production	665451, Irkutsk region, Usolye-Sibirskoye, Molotovaya St., 103	Ph.: +7 (39543) 44-250, 62-340, post@sib-fanera.ru, www.sibfanera.ru
Weinig-Irkutsk, Ltd. (Edis Group Representation)	Woodworking equipment	664074, Irkutsk, Lermontova St., 82	Ph.: +7 (3952) 60-77-04, 78-00-30, www.weinig.ru

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BURYATIA – THE SUNSHINE REGION

The Republic of Buryatia is a constituent entity of the Russian Federation, and is part of the Siberian Federal District. The administrative and cultural center of the republic is Ulan-Ude. Due to the benefits of its geographical location, the Republic of Buryatia plays a great part in the system of relationships between the Russian Federation and Asian and Pacific Rim countries.

The Republic of Buryatia is situated in the center of the Asiatic continent between the taiga zones of East Siberia and the vast Mongolian steppes. The south of Buryatia borders Mongolia (the shared border is more than 1,200 km).

Buryatia borders the Republic of Tuva to the southwest; the Irkutsk region to the northwest; and the Chita region to the east. The western part of the republic hugs Baikal Lake.

The Trans-Baikal is considered to be a Russian traffic entry to the Asian and Pacific Rim countries. Two railroad lines cross the territory of Buryatia: the Trans-Siberian and the Baikal-Amur. They connect the central regions of Russia with the Far East regions, and also with the Southwestern Asian countries, such as China, the Democratic People's Republic of Korea, Mongolia, Japan and others. The distance from Moscow is 5,500 km, and the distance from the Pacific Ocean is 3,500 km. Its distinct geographic position and weather conditions offer a good basis for economic development in Buryatia.

The total area of the Republic of Buryatia is 351,300 km², which is approximately that of 10 to 12 regions in the European part of the Russian Federation. The population is 959,900 people as of January 1, 2008. The population density is 2.8 per km². Sixty percent of the population is urban, and 40% is rural. The indigenous population is comprised of the Buryats, the Evenks and the Soyots. 67.8% of the total population are Russians, and 27.8% are Buryats, and 4.4% are other nationalities.

There are 296 municipal entities in the republic, including 21 municipal areas, 2 urban districts, 18 urban settlements, 255 rural settlements and 615 populated areas.

The predominately mountainous terrain of the republic makes it a hotspot of seismic activity. Large and small earthquakes are common, though they do not exceed magnitudes of 5-6. There have not been any large, destructive earthquakes in the last 100 years.

CLIMATE

The large distance of the oceans from the republic, located exactly in the center of the vast Euroasian continent, as well as the hummock-and-hollow relief, gives rise to a uniquely strong continental climate, with cold winters and hot summers.

The winter is cold and sharp, with little snow accumulation. Its low temperatures are easily endured thanks to low humidity. The spring is windy with frosts and a low amount of rainfall. The long Siberian spring already begins at the end of March, though the first green plants can be seen only at the end of April. The summer is short with hot days and cool nights, and large rainfalls in August and July. The summer heat is only noticeable during the midday hours, so the morning and night hours are fresh. The autumn goes unnoticed without any sudden weather changes. It is also long and quite warm until Baikal Lake freezes. The average autumn temperature in Buryatia is sometimes higher than in the European regions of the country. The average summer temperature is 18.5°C, and -22°C in winter. The annual average is -1.6°C. The average annual rainfall is 244 mm.

Buryatia is called the sunshine region and the long sunshine duration (1,900-2,200 hours) is a really important climate characteristic of the Trans-Baikal. The sunshine parameter

often exceeds that of the southern regions. For example, the sunshine duration in the famous Abasturmani resort, situated in the Caucasus region, is 1,994 hours per year. The same parameter for Riga's coastal area is 1,839 hours per year. All in all the climate of Buryatia is comprised of three different components: the sharp and cold climate of the northern regions, hot and sharp climate of the Mongolian deserts, and the humid Pacific climate.

NATURAL RESOURCES

About 60% of Lake Baikal's total coastline is situated in the Republic of Buryatia. Lake Baikal is the deepest freshwater lake in the world, and it holds 20% of all the total fresh water of the highest quality. There are 2,500 different species of animals and fish, including 250 endemic species.

Buryatia has a lot of natural resources. The largest minefields are: base metals, coal, asbestos, phosphorite, wolframite, molybdenous, gold, zeolite, potash, calcium fluoride and others. Nowadays coal, gold, fluoride, quartzite, and zeolite fields are being mined and construction material reserves are being exploited too. Due to the geological exploration works, there has been an increase in the reserves of all the mining factories, including an annual 9-12 tonnes of growth for gold-mining manufactures. According to the results of the geographical exploration works, the territory has been approved as a priority exploration project in the Federal Geographical Exploration Program. There are 15,000 tonnes in the uranium reserves. There are about 30 coal mines in Buryatia, 12 of which are referred to the Federal Balance. Gusinozerskoe, Tunguyskoe, Sanaginskoe, Daban-Gorhinskoe and Okino-Kluhevskoe are among the most active mines. The total volume of the balance reserves

is 2.4 billion tonnes. All the coal mining factories have the required reserves for stable work and full operation for the next 20-30 years.

There are 55,658 km of roads in the Republic of Buryatia, 1,106 km of which are railroads. The remaining 54,552 km are auto-roads, including 2,577 km of highways, 49,810 km of earthen roads and 2,165 km of winter roads. The huge road network infrastructure offers a sound basis for achieving the available potential of the intensive forest management and timber exploitation.

Logged wood is carried from the cutting area to the stores and warehouses situated in the regional centers, to forest populations and center farmsteads, as well as to neighboring regions (the Trans-Baikal and Irkutsk regions). The distance of transportation ranges from 30 to 500 km. The existence of the all-year round operation roads makes it possible to decrease the seasonality factor of forestry manufacturing.



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BURYATIA TIMBER INDUSTRY IS SOLVING PROBLEMS

Buryatia, the Siberian Federal District Republic takes fifth place with a ratio of 5.6% (2.7 million m³) of the overall volume of forest management in Siberia Federal District. Forest resources are traditionally used as the source of timber for industrial processing. Until recently timber was mainly harvested in pine forests of the central part of Buryatia, the larch forests of the North-east and South-western zones were used just partially.

The economically available part of the rated forest management comes to around 2.2 million m³, which corresponds to approximately 6.5 million hectares. Taking the republic forest fund zoning according to types of timber users into consideration, the areas available for management are distributed in the following way:

- Satisfying the republic citizens' demand for own-use-timber – 950,000 hectares;
- Selling forest resources at auctions – 440,000 hectares;
- Providing areas of forest resources for long-term lease in order to harvest timber – 5,300,000 hectares.

Seventy four woodlots on areas of 1.5 million hectares are currently provided for lease in order to harvest timber. This is 28% of the area of economically available forest resources. TI development, ensuring the application of investment projects in the sphere of forest mastering, will allow for a significant increase in the areas of the used forestry resources of the republic's fund transferred to long-term lease and to increase leased areas up to 2.2 million hectares (up to 40% of the area of economically available forest resources).

The maximum timber harvesting volume in forest divisions of the republic of Buryatia is defined by the size of the rated cutting area for felling ma 948.8 million m³ in 2007, including:

- Felling mature and overmature forest – 905,000 m³;
- Felling forest for forest care – 1,083,900 m³;

- Felling damaged and dead forest – 783,200 m³;
- Felling on forest lots intended for constructing, reconstructing and exploiting objects of forest, wood-processing infrastructure and objects not relating to forestry infrastructure (other types of felling) – 176,700 m³.

PLANS AND REALITY

According to the share of payments given to the budget, the Baikalsk, Zakamensk, Kabansk, Kikinsk, Pribaikalsk and Ouyansk forest areas (where the lessee is the main forest user) have the highest level of forest activities. The average payment rate per forest resource unit and payment rate per area unit of a forest lot prevailing in the Republic of Buryatia came to 28.1 RF rubles. The minimal average payment rate per forest resource unit and payment rate per area unit of a forest lot came to 24.6 RF rubles.

For regions with non-developed industrial infrastructure and no large or medium-sized forest users, the local population, principally ordering firewood, is the main forest user. As a result, low rates per timber are formed in these regions. Low rates and accordingly low share of payments are in the Vitimsky (3.59 RF rubles), Dzhidinsky (9.53 RF rubles), Kondinsky (8.29 RF rubles) and Okinsky (7.34 RF rubles) forest areas.

The cost level per m³ depends on a number of factors including: the distance to the towns, the availability of forest roads, the large and

medium-sized forest users, the requested volume of timber, the opportunities for its processing and mature forest market (demand), etc. Depending on these factors, the highest rate per harvested timber (while the average rate in the republic is 298.3 RF rubles) is in the Babushinsky (925.9 RF rubles), Dzhidinsky (614.1 RF rubles), Kyakhtinsky (608.3 RF rubles), and Uoyansky (535.3 RF rubles) forest areas. The lowest cost is in the Verkhne-Taletsky (106.3 RF rubles), Kondinsky (154 RF rubles), Kurbinsky (105.8 RF rubles), Mukhorshibirsky (153.5 RF rubles), Severo-Baikalsky (119.9 RF rubles), and Khorinsky (140.7 RF rubles) forest areas.

ADDRESSING PROBLEMS

There are 326 timber enterprises with 7,900 employees (including 3 large ones with 4,527 employees, 18 medium enterprises, and 305 small business enterprises with 3,373 employees) operating in Buryatia. At the present stage of forest management development, it is more advantageous for medium and small forest users to utilize forest lots on a short-term basis. This can be explained by the higher income from timber selling, the lack of responsibilities and, accordingly, the lack of lease-related costs. More than 400 forest users were registered during forest harvesting, including 73 lease holders but just one enterprise, BLK, which has an annual felling of over 100 thousand m³. The average annual felling comes to 5,000 m³. Felling decentralization has led to an abrupt decline in the technology level of manufacturing. Chainsaws, tractors (including ones not specialized for forest industry) and general purpose vehicles are used instead of modern harvesters that don't require manual labor.

In timber machining, the sawmilling industry is the most widespread. Sawmilling utilizes the largest portion of harvested industrial wood. Sawn timber production consumes around 50% of industrial wood harvested in the republic (except from volumes of roundwood export). Except for the sawn timber production growth after 2000, the republic could not manage to overcome negative trends that developed in the beginning of the 1990s. Not only volume indications, but also qualitative changes in the sawmilling industry structure can be used to characterize the past period. First of all, the concentration of production was drastically reduced; production powers were decommissioned from 1.2 to 0.09

million m³, and a lot of small enterprises (with annual outputs of up to 5,000 m³ of sawn timber) appeared instead of large ones. This led to the simplification of manufacturing technology. Sawn timber manufactured at small enterprises is usually not dried nor sliced, which results in a decrease in product pricing and low sawmilling profitability.

Moreover, there is price disparity between plank timber for export and plank timber for the domestic market. In the present economic environment, it's more beneficial for forest harvesters to supply roundwood for export than to the sawmilling factories. Large sawmilling centers still remain in the city of Ulan Ude. Baikalskaya Lesnaya Compania, with an annual output of 47,400 m³ of sawn timber, is the leading enterprise. Moreover, there are a number of enterprises with annual capacities of up to 10,000 m³. Sawn timber manufactured by these enterprises meets the high-quality requirements of the domestic market. The republic exported 235,700 m³ of sawn timber in 2007.

IS THIS FOR EXPORT?

Using the economically available resources in the republic, processing plank timber exported from Buryatia would allow for a more than twofold increase in sawmilling output. It is expedient to develop this manufacturing integrated into



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a large TI, which would allow for the use of up to 40% of wood wastes from sawmilling and decrease the demand for roundwood at processing plants. In 2007 TI output will account for 12.7% of the total industrial output of the republic, 43.6% of the currency earnings, and 22.9% of the cost of the main production funds. In 2007, the industry output will come to 1,949.9 million RF rubles, a 10% increase on 2006.

According to the Buryatia Statistical Department, 992,200 m³ of timber was harvested; 960,300 m³ of timber, including 676,600 m³ of industrial wood, was exported; and 158,000 m³ of sawn timber was produced in 2007.

A forestry agency report on the Republic of Buryatia states that with a rated cutting area of 6.1 million m³, 2,167,900 m³ (35.5% of the cutting area development, 0.07% of the total stock) were harvested. The total area of the republic is 35,133,000 hectares; the forest land of the republic constitutes 29,092,000 hectares, including 20.3 million hectares covered with forest. The total timber stock is 2,078 million m³.

According to data from the Siberian customs administration, the republic exported 1,596,100 m³ of plank timber, 133,800 tonnes of sawn timber, and 16,100 tonnes of cardboard in 2007. In regards to cost parameters, the timber and cardboard export amounted to 141.7 million US Dollars, or 43.6% of the total export volume of the Republic of Buryatia, which also included 109.2 million US Dollars of plank timber and 24.5 million US Dollars of sawn timber.

Timber and its products (sawn and unsawn timber, unbleached kraft liner, etc.) is the most important product group in the republic exports. In 2007, the cost value of timber and its products export amounted to 204.7 million US Dollars, up by 44.5% from 2006. Certain changes happened in the cost structure of timber and pulp-and-paper products export. The share of unsawn timber dropped from 77 to 73.5%, while timber's share grew from 17.2 to 21.3%. China remains the main buyer of the unsawn timber (99.3% of the overall export) from the republic. Insignificant volumes were supplied to Mongolia, the Republic of Korea and Japan. The volume of sawn timber export deliveries has been expanded. In addition to China (94% of the total volume) supplies were transported to 17

more countries, such as Egypt (2.4%), Belgium (0.7%), Denmark (0.6%), etc. Seleginsky PPM, JSC exports cardboard to CIS countries (Kazakhstan, Uzbekistan and Kirghizia) and to Mongolia.

The Irkutsk region's experiences of creating large terminals for timber cargo shipment and the activities of Baikal Wood Commodity Exchange proved no positive result of exchange activities that can be achieved by using only one administrative resource. The volume of transactions made during trading at the Baikal Wood Commodity Exchange doesn't exceed 5% of the overall turnover of timber production in the region. This is why the Ministry of Economic Development of the Republic considers it reasonable to establish a branch of the Federal Wood Commodity Exchange in Ulan Ude, with a central trading venue in St. Petersburg.

WHAT HINDERS DEVELOPMENT?

Considering the exhausted available cutting area of 1.5 million m³ of industrial wood, achieving a rated cutting area mastering of 4 million m³ opens the question of harvesting systematization by large organizations that possess appropriate technologies.

In order to achieve a harvest of 3.5–4.0 million m³ a year it is necessary to equip the cutting area, construct all-year forest roads, and master new technologies of mountain and mining rope timber harvesting.

There are a number of adverse factors that hinder forest harvesting development in the republic:

- The low level of lumbering plants and their uneven distribution on the republic territory lead to low demand for raw wood on the republic's domestic market and to the export of raw wood to other regions and abroad.

- The large number of forest harvesting enterprises and small businesses located in the multi-industry towns far from marketing outlets and timber-processing centers made the produce of roundwood and poorly-sawn timber-forest users unprofitable. Forest harvesters located in the remote regions have found themselves in a harder economic situation compared to the enterprises of the central part of Russia.

- The outrunning growth of prices for fuel and

energy resources, and the necessity of annual salary increases for timber harvesting employees brought about an abrupt increase in shipping costs of the timber supply. For example, a forest user located at a distance of 150 km from wood-processing enterprise has to sell his timber at the factory warehouse at a price approximately 300-350 RF rubles lower than that of nearby enterprises. Resulting from this, it is an expensive assortment (export plank timber) that is the most profitable of harvest timber while pulpwood, raw wood and firewood (50% of the overall volume), are unprofitable.

- Poor chemical and chemical-mechanical timber processing powers development is the reason that small-scale and hardwood are unclaimed and left in cutting areas. This is huge unused resource demanding additional investments.

SMALL BUSINESS UNDER CHINESE CONTROL

Buryatia's close proximity to China and our neighbor's constantly increasing demand for raw wood has already caused the People's Republic of China's forest business to enter into the Russian market; this is a peculiarity of forestry activities in Buryatia. After some liberalization of federal law regarding small business, the Buryatia territory currently has more than 90 small business controlled by Chinese entrepreneurs with 100% foreign capital and fully controlled production distribution. In accordance with RF Government Resolution №75 of February 5, 2007, the government is enacting an export tariff on unprocessed wood, as of January 1, 2009, at the fixed amount of 80% of the contract price, but not less than 50 Euros per m³. Due to this, low-technology equipment is being imported into Buryatia from China and set up in the territories next to the border. A growth in the number of applications for foreign labor has been observed; 5,800 men were requested for 2008 from China. All in all, with the existing sawmills built in China, the total amount of the primary processing equipment will amount to 300 units or to a capacity of 1,500 thousand m³. Usually unedged sawn timber of natural humidity is imported to China at a price of 90–120 US Dollars per m³, which offsets losses in plank timber import.

THE BAIKAL FACTOR

Buryatia demands specific requirements for forest harvesting operations due to the Baikal factor. Restrictions have led to unevenly distributed cutting areas, and increased the costs of forest road construction and relocating crews and machines incurred by forest harvesters. Sixty-nine percent of the republic's Group I and II forests are located within the Lake Baikal watershed area, where final felling is restricted. These territories include territories of the Lake Baikal Central Ecological Zone, tourist and recreational zones, national parks, preserves and special nature reserves. More than half of the rated cutting area is located in hard-to-reach and under-developed regions, such as the Eravninsky, Bauntovsky, Severo-Baikalsky, Muisky and Okinsky regions. Forest harvesting in the northern regions has significant environmental restrictions and increased costs due to permafrost climatic conditions.

In view of the fact that Lake Baikal and its coastal territories are now acknowledged as a part of the UNESCO World Heritage, coinciding with the increased boundaries of the Central Ecological Zone, the Buryatia government suggests the following in order to attract international organizations and federal budget resources:

- Providing 950 million RF rubles in investments in accordance with established procedure to the Republic of Buryatia for performing nature-conservative measures at the expense of the federal program 'Ecology and Nature Resources of Russia around Lake Baikal and the Baikal Natural Area Protection subprogram';

- Including the Republic of Buryatia on the list of pilot projects of sustainable forest use, and implementing environmentally friendly forest harvesting technology in the Lake Baikal basin in order to realize the investment project 'Implementing Environmentally Friendly Forest Harvesting Technologies in the Lake Baikal Basin';

- Adopting the Russian Federation Government Decree 'On Implementing Strategies for Compensation of Costs due to the Special Management Regime in the Baikal Natural Area and for Responsibilities Distribution among the Subjects of the Baikal Natural Area and Federal Center on Extra Costs'.



A. Kozin

**SIBERIAN
FEDERAL DISTRICT**

Omsk
Region



Tomsk
Region



Novosibirsk
Region



Krasnoyarsky
Krai



Republic of
Khakassia



Irkutsk
Region



Republic
of Buryatia



**FAR EAST
FEDERAL DISTRICT**

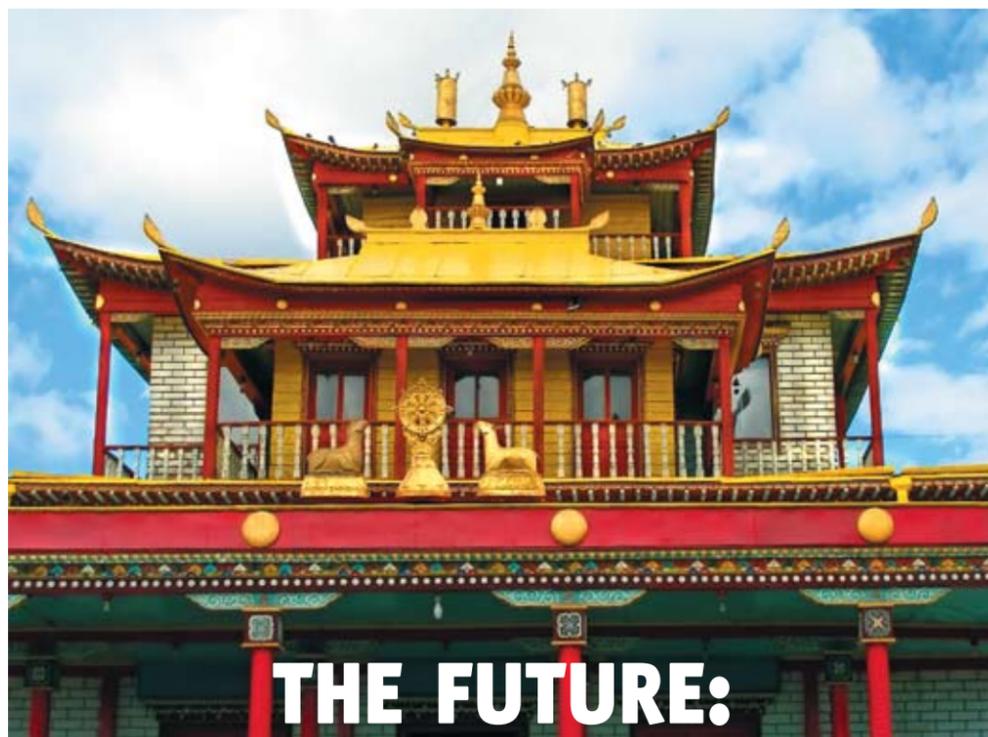
Republic
of Sakha
(Yakutia)



Khabarovsk
Territory



Primorye
Territory



THE FUTURE: INVESTMENTS AND MODERNIZATION

The long-term strategic goal of the timber industry of the Republic of Buryatia is to augment production to meet the local and national demand. The republic's government supposes that production growth may be reached through developing integrated timber-processing, and enhancing the effectiveness and competitiveness by continuous sustainable forest use and by raising Buryatia's investment rating.

The republic's TI has all pre-conditions needed to achieve the set goals:

- A real domestic consumer timber market, especially the growing Asian-Pacific and Middle-Asian markets, as well as the Mediterranean region;
- An unexploited stock of the most valuable forest resources allowing for a 100-400% increase of forest use, provided that processing plants are built;
- The required water and energy resources for expanding the existing and building new chemico-mechanical timber-processing facilities;

- The water and railway transport routes for new mechanical and chemical-mechanical processing plants;
- The most favorable terms provided by the federal, regional and local authorities.

The total harvest volume is planned to reach 4.5 million m³ by 2017. The volume of forest products will increase 3.7 times during 2007–2017 to exceed 7 billion RF rubles.

To prevent a decrease in timber cutting connected with the introduction of higher customs duties for roundwood, the draft of the Program of Social and Economic Development

of the Republic of Buryatia for 2007–2010 and up to 2017 provides for:

- The completion of upgrading of Selenginsky PCM, JSC by 2010, the replacement and implementation of a second board making machine and the production of more than 120–140,000 tonnes of cardboard in order to ensure 203.3% growth rate against 2006 level.
- The development of two new woodworking plants belonging to **Baikal Forest Company, JSC**, increasing the value added timber products output to 220,000 m³ to ensure 599.5% growth rate against the 2006 level. The company is to launch two plants with an aggregate capacity of 150,000 m³ by 2010. They will be located in Sosnovo-Ozerskoe (Yeravna district, Buryatia) and the Mogzon settlement (Baikal region). Still another plant in Novoiylinsk (Zaigraevo district) is being refurbished.
- An additional timber house plant with the rated capacity of 50,000 m³ is planned to be constructed using the territory and premises of Ozerny mining-and-processing works, which is currently being built.
- Small and medium forest businesses are to commission sawmills with outputs of up to 400,000 m³, of which 300,000 m³ will be backed by foreign capital, in 2007–2008 to replace sawtimber exported to China.

New advanced timber-processing machines are expected to be installed at the joint Russian-Swedish company **Baikal-Nordik LPK, Ltd.** These projects

will allow for the transition to integrated timber-processing; increase the output of timber products to 270,000 m³; and create 390 jobs, entailing the increase of the republic's budget income by 375 million RF rubles. The commodity output will grow by 2.9 billion RF rubles. More than 30 million RF rubles will be invested in forest nurseries, growing of genetically modified planting material and forest regeneration through plantations.

The investments planned for 2008–2010 are 5 billion RF rubles, including the republic's budget share of 89.2 million RF rubles.

Selenginsky PPM, JSC intends to restructure and refurbish its boardmaking machine No. 2, and establish two logging enterprises (in the Khorinsk and Kizhinga districts) accompanied by new transportation roads, transport and storage facilities. **Baikal Forest Company, JSC** plans to erect a timber-processing plant in the Sosnovo-Ozerskoe village (Yeravna district), and to develop the harvesting infrastructure, including a bioenergy power station.

The proposals of **Swedish Capital Biofuel Sweden AB** are under consideration. The proposals consist of an integrated timber processing investment project to be implemented in the Republic of Buryatia, and are expected to be included on the priority register. The estimated aggregate investments into the priority investment projects in forest development will exceed 2 billion RF rubles, and implied preferences obtained through the lower land lease rates will be more than 150 million RF rubles per year.



A. Kozin



**SIBERIAN
FEDERAL DISTRICT****Omsk
Region****PRIORITY INVESTMENT PROJECTS****Baikal Forest Company, JSC**

Planned product output	1,824.3 million RF rubles
Planned product output in natural units	149,400 m³ of lumber per year, and 5,900 tonnes of wood biofuel
Taxes after reaching planned capacity	236.9 million RF rubles
Profit after reaching planned capacity	986.9 million RF rubles
New jobs	105
Project payback period	6 years
Tax payments in 2008-2014	332.5 million RF rubles (230 million per year)

**Tomsk
Region****Novosibirsk
Region****Baikal-Nordic LPK, Ltd.**

Investments	1,500 million RF rubles
Planned product output	1,081.2 million RF rubles
Planned product output in natural units	220,000 m³ of lumber per year
Investments into forest nurseries, growing genetically modified planting material and establishment of forest plantations	30 million RF rubles
Taxes after reaching planned capacity	138.4 million RF rubles
Profit after reaching planned capacity	692.8 million RF rubles
New jobs	285
Project payback period	5 years
Tax payments in 2008-2013	408.4 million RF rubles (138 million per year)

**Krasnoyarsky
Krai****Republic of
Khakassia****Selenginsky PPM, JSC**

Investments	899.6 million RF rubles
Planned product output	1,800.7 million RF rubles
Planned product output in natural units	1,504,000 m³ of timber harvested per year
Taxes after reaching planned capacity	366.9 million RF rubles
Profit after reaching planned capacity	557.4 million RF rubles
New jobs	905
Project payback period	2 years, 5 months

**Irkutsk
Region****Republic of
Buryatia****Olonmetall, Ltd. (Muysky district)**

Investments	330 million RF rubles
Planned product output	269.8 million RF rubles
Planned product output in natural units	20,700 m² of timber houses per year, and 7,500 tonnes of wood biofuel (pellets)
Taxes after reaching planned capacity	135.8 million RF rubles
Profit after reaching planned capacity	75.6 million RF rubles
New jobs	216
Project payback period	5 years

**FAR EAST
FEDERAL DISTRICT****Republic of Sakha
(Yakutia)****Les Sibiri, Ltd.**

Investments	676.2 million RF rubles
Planned product output	830 million RF rubles
Planned product output in natural units	120,000 m² of lumber and 50,000 m² of OSB
Taxes after reaching planned capacity	249 million RF rubles
Profit after reaching planned capacity	165 million RF rubles
New jobs	220
Project payback period	7 years

**Khabarovsk
Territory****Primorye
Territory****DEPARTMENTS OF BURYATIA****Republican Forestry Agency**

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**SIBERIAN
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**Novosibirsk
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**Krasnoyarsky
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**Republic of
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**Irkutsk
Region**

**Republic
of Buryatia**

**FAR EAST
FEDERAL DISTRICT**
**Republic
of Sakha
(Yakutia)**

**Khabarovsk
Territory**

**Primorye
Territory**


Main Enterprises of the Republic of Buryatia

Name	Activity	Address	Contacts
Baikal-Nordik, Timber-Processing Company, Ltd.	Woodworking industry. Wooden house building. Lumbering	670031, Ulan-Ude, Babushkina St., 13A	Ph. +7 (3012) 46-78-30, baykalnordik@mail.ru
Baikal Metek, Ltd.	Lumbering. Sawn timber production	671560, Maussky region, Taximo community, Pritrassovaya St., 10	Ph. +7 (3013) 24-24-62, archipovv@mail.ru
Baikal Forest Company	Lumbering. Timber-processing. Sawn timber production	670013, Ulan-Ude, Kluchevskaya St., 21	Ph.+7 (3012) 43-10-40, Fax +7 (3012) 37-46-33
Belikh A.M., Private Entrepreneur	Lumbering. Wood-processing. Joinery production. Timber and lumber sale	671622, Ust-Barguzin community, Komarova St., 17	Ph.:+7 (3013) 19-17-38, 19-12-95
Buryatavtoservice, JSC	Supply by tractors, wood-logging and timber-carrying machines	670045, Ulan-Ude, Strelka, Botanicheskaya St., 35A	Ph.: +7 (3012) 44-34-88, 44-36-14, Fax +7 (3012) 44-34-90, bas1@burnet.ru, www.basavto.ru
Buryatenergo Remont, JSC	Woodworking equipment	640011, Ulan-Ude, Energetic community, 90	Ph.: +7 (3012) 42-87-88, 42-88-96
Buryatmebel, Ltd.	Furniture production	670013, Ulan-Ude, Klyuchevskaya St., 21	Ph.: +7 (3012) 43-26-14, 43-11-34, 43-19-34
Chayun A.V. (Maral), Private Entrepreneur	Lumbering. Sawn timber production. Wooden products' sale	670023, Ulan-Ude, Zarechny community, Svetlaya St., 2	Ph. +7 (3012) 22-42-76
Ikatles, JSC	Lumbering	670000, Ulan-Ude, Kuibysheva St., 5	Ph. +7 (3012) 21-34-69
Les Sibiri, Ltd.	Lumbering. Timber-processing. Sawn timber production. Timber trade	670009, Ulan-Ude, Matrosov community, Shvetsova St., 3B	Ph.: +7 (3012) 55-90-66, 44-76-99, 44-77-99, 44-78-99, Fax +7 (3012) 55-90-99, lessibiri@mail.ru
Lespromservice, Ltd.	Lumbering. Timber-processing. Sawn timber production	670045, Ulan-Ude, Polygon, 502 km	Ph.: +7 (3012) 44-47-44, 44-43-72
Limin, Ltd.	Lumbering. Sawn timber production	670045, Ulan-Ude, Mohovaya St., 8A	Ph.: +7 (3012) 44-07-00, 44-01-84, liminltd@bk.ru
Lukondra, Ltd.	Sawn timber production and sale	670023, Ulan-Ude, Stroiteley St., 11A	Ph. +7 (3012) 22-47-79
MK Postulat, Ltd.	Furniture production	670043, Ulan-Ude, Klyuchevskaya St., 43	Ph.: +7 (3012) 41-05-88, 41-20-11, 41-25-11
Sanrey, Ltd.	Woodworking	670031, Ulan-Ude, Geologicheskaya St., 11	Ph. +7 (3012) 23-13-22
Selenginsky PPM, JSC	Pulp-and-paper and resin industry	671247, Kabansky region, Selenginsk community	Ph.: +7 (3013) 87-42-02, 87-72-32, 87-42-37 – procurement department, sckk@sckk.net
Sem Zvyozd, Ltd.	SIB Wooden house construction	670031, Ulan-Ude, Shirokikh-Polyanskogo St., 20	Ph.: +7 (3012) 55-50-66, 63-03-04, 63-95-19, dom@stbur.ru, www.dom.stbur.ru
Solios, Ltd.	Lumbering. Timber-processing. External economic activity. Shipping services	670045, Ulan-Ude, Strelka, Botanicheskaya St., 74	Ph. +7 (3012) 44-38-51
Stroykomplekt, Ltd.	Lumbering. Sawn timber production	670031, Ulan-Ude, Silikatny community, Domostroitel'naya St., 2B	Ph.: +7 (3012) 23-12-45, 23-13-64, 64-15-76, Fax +7 (3012) 23-07-23, strcompl@burnet.ru
Verkhneudinskoye, CJSC	Sawn timber production	670023, Ulan-Ude, Zarechny Community, Svetlaya St., 2	Ph.: +7 (3012) 24-43-63, 22-43-46
Zabaikal Interbusiness	Lumbering. Timber-processing. Sawn timber production	670000, Ulan-Ude, Bortsoeva St., 13, office 13	Ph.: +7 (3012) 21-40-61, 21-87-65
Zakamensk Ltd.	Lumbering	671950, Zakamensk, Lenina St., 39	Ph. +7 (3013) 74-44-07
Zarechnoye, Ltd.	Lumbering	671260, Pribaltiysky region, Turuntaevo community, Patrakhin St., 31A	Ph.: +7 (3014) 45-14-27, 45-16-55

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KhakassiaIrkutsk
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of Buryatia**FAR EAST
FEDERAL DISTRICT**Republic
of Sakha
(Yakutia)Khabarovsk
TerritoryPrimorye
Territory

THE REPUBLIC OF SAKHA: AN ALADDIN'S CAVE

Over half of all of Russia's territory is permafrost areas concentrated mainly in Eastern Siberia and the Baikal region. Yakutia is located in Eastern Siberia; the majority of it lies in the permafrost zone. This is a unique territory in terms of nature, climate and resources. Climate-related problems are fully compensated by the riches hidden in its soils.

The Republic of Sakha (Yakutia) is the largest constituent entity of the Russian Federation. Occupying almost all the north-east of the Asian part of the mainland, Sakha stretches for 3,103,200 km². Its north-south length is about 2,500 km, and its west-east width is 2,000 km. Yakutia covers three time zones; the difference with Moscow time may be six, seven, or eight hours. The Moscow-Yakutsk route is 8,468 km, and Yakutsk-Khabarovsk is 1,590 km.

PRESIDENTIAL REPUBLIC

The modern name of the republic comes from the ethnic names of the aboriginal people. 'Sakha' is the original name, while 'Yakut' is a Russian name borrowed from Evenes in the 17th century.

Sakha is a presidential republic. It was established in 1991. The head of the executive branch is the president, who is elected together with his vice-president by general elections for a five-year term. The supreme legislative body is the Yakutia State Assembly (Il Tyumen), comprised of two chambers – the Upper Republic Chamber and the Lower Representatives Chamber. Executive power is exercised by the government headed by a chairman. The Republican Constitution was adopted in 1992. In 1995, the republican territorial entity was renamed from district to 'ulus' (a total of 34 uluses). Uluses, in their turn, are divided into 365 'naslegs', including 31 national ones. The capital of the republic is the city of Yakutsk, founded in 1632 by Russian pioneers in the middle of the River Lena. It is now an important administrative, political, cultural, scientific and educational center of North-Eastern Russia.

Yakutia is comparatively poor in cities – just thirteen. However, these include the oldest

Siberian cities founded as long ago as in the 17th century: Vilyuysk (1634), Olekminsk (1635), Verkhoyansk (1638) and Srednekolymsk (1644).

PERMAFROST KINGDOM

The Republic of Sakha rests in the basins of the Lena, Yana, Indigirka and low Kolyma rivers. In the south, the republic shares a border with the Amur region; with Khabarovsk and the Magadan region in the south-east; the Chukotka Autonomous District in the east, the Dolgano-Nenets and Evenk Autonomous Districts in the north; and the Irkutsk region in the south-west. In the north, Yakutia joins the Laptevykh and East-Siberian seas.

Yakutia is the coldest of all inhabited regions of the planet. The major part of it is located in the permafrost zone, and its climate conditions are characterized as extreme ones by many parameters. The average thickness of ever-frozen subsoil is approximately 300-400 m; the thickest frozen layer registered in the upper Voluy River (the record permafrost depth is about 1,500 m). This is the maximum frost penetration ever found on the Earth. The mountains of Eastern Yakutia have 485 glaciers, with aggregate area of 413 km² and fresh water stock of about 2,000 m³.

It could seem that permafrost creates multiple problems for the region, including the economy. The lion's share of the industry is oriented towards mineral mining and treatment. The development of northern deposits is usually hindered by the permafrost, as the frozen rocks have extreme impact hardness and are difficult to extract. The permafrost, however, can be of benefit, too. Firstly, it helps store

foodstuffs for a very long time. Also, it is permafrost which cements the rocks allowing for unique open pit mines in Yakutia, e.g. the Udachnaya pipe quarry with steep slopes. The walls of these pits are held solidly in place by the ice (they would inevitably slide in a warmer climate).

FRESH WATER

The Republic of Sakha has a tremendous stock of fresh water. More than 700,000 rivers flow over its territory, bringing the aggregate water outflow of up to 530 km³ even in driest years. About half a million of it is connected to the Arctic Ocean basin. The biggest rivers are the Lena (with branches of Olekma, Aldan and Vilyuy), Anbar, Olenek, Yana, Indigirka, Alazeja, and Kolyma.

Apart from this, the republic is home to 800,000 lakes with a total water stock of up to 300 km³ and the famous Vilyuyskoye Water Reservoir. Yakutia is rich in subsoil water sources. The assumed aggregate of underground fresh water stock is 300 m³ per second. For each citizen there is about 900,000 m³ of fresh water per year, which is 30 times more than the average figure in Russia. The main water artery of the republic is the River Lena, which is among the world's top ten rivers in terms of length and water content. On the other hand, serious environmental problems exist, including years of pollution and the lack of effective water purification techniques.

TRANSPORT

The wide river network offered an impetus for the development of water transport. Until recently, sea and river navigation was the most advanced type of transportation. The main traffic follows the Northern Sea Route, the River Lena and its branches. The main sea ports are Tiksi and Zeleny Mys (Chersky).

Yakutia is crossed by the BAM railway segment (Tynda – Berkakit – Neryungri), the Amur-Yakutia highway (Berkakit – Tommot – Yakutsk), and the Lenek — Mirny and Khandyga — Magadan roads. However, wheeled vehicles are accessible mainly in wintertime.

At present, the local transport authority is focused on the building and reconstruction of major transport routes, making its frame network, and upgrading the basic production facilities. By the year 2010, the Berkakit – Tommot – Yakutsk railway is to be completed. This is one of the key issues of the development strategy of the republic. By 2013, a joint car and railway bridge over the River Lena near the city of Yakutsk is expected to be put into operation.

In the future, the railway mainline is to become the initial part of the Transcontinental Railway leading to Magadan, and of pioneer railways from the station of Ust-Kut – Nepa to the city of Lensk, Ulak-Elga.



**The President
of Yakutia –
Shtyrov
Vyacheslav
Anatolyevich,
award-winning
builder
of the RF,
holder
of the Order
for Merits
before the
Fatherland
of the 4th
degree**



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Krai**



**Republic of
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**Irkutsk
Region**



**Republic
of Buryatia**



**FAR EAST
FEDERAL DISTRICT**

**Republic
of Sakha
(Yakutia)**



**Khabarovsk
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**Primorye
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In order to create a frame network of railway mainlines linked to the unified national road network, the republic continues building the Kolyma and Lena federal highways, and the Amga, Kobyay and Yana regional roads. The Vilyuy (Yakutsk – Mirny – Ust-Kut) and Amga (Yakutsk – Amga – Ust-Maya – Ayan) roads linked to the Irkutsk and Khabarovsk regions are of federal importance and play a crucial role in forming the frame automobile road network of the republic.

A new bridge over the River Lena is being erected in the Irkutsk region. A 254 m seven-span bridge passage is being built near the settlement of Ponomarevo on the ancient Yakutsk road, which will connect Irkutsk and the Kachug and Zhigalovo district centers. The bridge is being built by the bid winner Mostostroy-9, which has experience of similar projects implemented on the Baikal-Amur Mainline. The cost of the government order is approximated at 500 million RF rubles. The lack of a permanent bridge accounted for interrupted movement of pontoon ferries over the river during spring floods and autumn freeze-ups lasting for a month or even longer. The need for the bridge will grow considerably in connection with the future development of the Kovyktinsky natural gas deposit located in the Zhigalovo district.

POPULATION

Yakutia's population is a mix of 120 nationalities, including small aboriginal northern nations: Evenes, Evenks, Yukagirs, Dolgans, Chukchi and also Ukrainians and Tartars. The Republic of Sakha has four national districts of small-size northern nations – Anabarsky, Mомsky, Oleneksky and Eveno-Bytantaysky. The major part of the population is Russians (45%) and Yakuts (41%).

The title nation of the republic (the Yakuts) formed as a result of absorption of the local peoples (Evenes, Chukchi and others) by southern Turkic speaking settlers coming from the Baikal region. It is supposed that the last inflow from the south entered the territory of the republic in the 14-15th centuries A.D.

Most Yakuts are orthodox Christians, though shamanism adherents still remain.

ECONOMIC POTENTIAL

Yakutia ranks first in the Russian Federation in terms of the overall stock of all kinds of mineral resources. Thanks to considerable gold and diamonds deposits, Yakutia got its nickname as the 'national currency shop'. Sakha is the national leading producer of diamonds (98%), tin (40%), gold (15%), diamonds (24%), and a monopolist producer of antimony (100%).

Yakutian industry is represented by mining (extraction and enrichment of minerals, first of all, gold, diamonds, tin, mica, antimony, coal), processing (small consumer industries, food and woodworking companies), and forest industry and energy (developed deposits of oil and gas greatly exceed the needs of the republic).

The consumer industry produces garments, leather items, furs, and footwear.

The major industrial centers of Yakutia are the cities of Yakutsk, Neryungri, Mirny, Aldan, Udachny, and Pokrovsk; and the settlements Aikhal, Deputatsky, Sangar, Chulman and Ust-Nera.

The powerful competitive advantage of Yakutia is its mineral and resource potential, which is estimated at 78.4 trillion RF rubles. More than 1,500 deposits of various minerals were discovered in the republic, including: 150 kimberlite pipes (one Siberian platform); about 600 gold deposits (fields in the basins of the Indigirka and Yana rivers, in Kular and Yuzhnoye Verkhoyanye ranges); 44 tin and 44 coal deposits (Lena, South Yakutia, Zyryan basins); 34 oil and gas deposits (Ust-Vilyuyskoye, Sobokha-Inskoye, Bodaranskoye and others); 26 mica; 7 iron ore; and a number of antimony, zeolite, apatite, and many other deposits. The republic accumulates 9% of

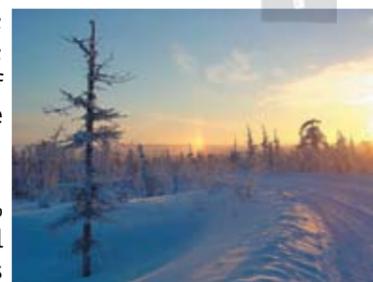
developed and 15% of assumed stocks of tungsten; 10% of the industrial stock of phosphates, iron ores; and considerable carbohydrates supplies. Many of the already developed or unexplored deposits are considered complex, unique and vast.

As for energy resources, Yakutia accounts for 47% of known reserves, 35% of natural gas and oil of Eastern Siberia and the Far East, as well as 22% of the national water supplies. The potential of water resources exceed 70 GWt, which is the leading position in Russia. The biggest electric power stations are the Vilyuyskaya HPS, the Yakutskaya State District Power Station (SDPS), and the Neryungri SDPS.

The Udachnaya Pipe is the richest Russian diamond deposit located in the Daldyn-Alakitsky kimberlite field in northern Yakutia, 20 km from the Northern Arctic Circle. This field has yielded a lot of large stones, including crystals, which are now stored in the Diamond Fund.

The shortcomings of the republic include its peripheral geographic and economic location, its severe climate, limited access, and the dependence of the economy and people on imported fuel and food.

M. Evseeva





**SIBERIAN
FEDERAL DISTRICT**

Omsk
Region



Tomsk
Region



Novosibirsk
Region



Krasnoyarsky
Krai



Republic of
Khakassia



Irkutsk
Region



Republic
of Buryatia



**FAR EAST
FEDERAL DISTRICT**

Republic
of Sakha
(Yakutia)



Khabarovsk
Territory



Primorye
Territory



INVESTMENT CLIMATE OF YAKUTIA

The social and economic condition of the republic has demonstrated stable growth for the last five years in terms of the major macroeconomic indicators: gross regional product, industrial and agricultural production, transport, communications, trade and services, investments into main capital, etc. The actual income of the population grew 1.6 times, and the share of people with incomes below poverty level decreased from 26.4% in 2001 to 22.4% in 2007. According to the integral life quality index, the republic is in the group of regions with average living standards (31st place in the RF). Assessing the region's progress in the budget-funded spheres, the International Rating Agency increased the long-term ratings of the Republic of Sakha in foreign and national currencies from B+ to BB- in December 2007.

The short-term foreign currency rating is confirmed at B level. Fitch also raised the Sakha national long-term rating from A(rus) to A+(rus). A 'stable' forecast was retained on the international scale in foreign and national currency long-term ratings. This reflects the measures taken to improve the debt structure and ensure a stable budget balance and high growth rates of key mining industries. The fast growth of the mining industry and strict control over operational expenses resulted in the positive balance surplus fixing in 2001-2007.

Last year, most industries showed an increment of growth. The industrial production index was 100.2% against that of 2006, and was secured by growing extraction of diamonds, and coal and output of some consumer goods. The investment climate in the republic has significantly improved during the period of 2002-2007. The key industries are looking forward to growing participation from the biggest Russian companies, such as Surgutneftegas, JSC; Transneft, JSC; Atomredmetzoloto, JSC; Gazprom, JSC; Rusal Global Management, JSC; Mechel Steel Group; MTS; Russian Railways, JSC; Gazprombank; Vneshtorgbank; etc.

Republic of Sakha (Yakutia) is the only region in the Far Eastern federal district which got Standard&Poor's credit rating. In November 2005, thanks to increasing income and a successful

investment program, it was raised from ruA- to ruA. Last April, Standard & Poor's increased the national scale rating from ruA to ruA+.

The capital investment in the republic for 2002-2007 was 320.8 billion RF rubles. Sakha is the second top region of the Far Eastern federal district after the Sakhalin region.

INVESTMENT LEGISLATION

Yakutia holds an annual conference, Investment Potential of Republic of Sakha (Yakutia), in which the economic potential, investment attractiveness and social and economic challenges of the republic are presented.

The Republic of Sakha (Yakutia) Law 'On Investment Activities in the Republic of Sakha (Yakutia)' is designed to attract investments to the republic, secure state guarantees and investors' rights, as well as define the conditions for providing governmental financial support to investors implementing investment projects.

The main steps taken to improve the regulative and legal framework of investment activities and create a favorable investment climate are:

- optimization of the tax policy, release of tax burden on the republic's businesses and lowering administrative barriers;

- lessening governmental intervention into companies' production processes;
- privatization of companies which are currently state property;
- development and adjustment of the republic's normative and legal acts regulating investment activities;
- improvement of insurance policy to diminish property and investment risks for both the government and investors.

In connection with this, a number of factors ensure the Republic of Sakha's investment attractiveness:

- the considerable reserves of mineral and energy resources;
- the growing global demand for various mineral raw materials directly related to it;
- the stable economic growth and stable positive dynamics of the main macroeconomic indicators of the republic;
- political stability;
- the readiness of federal and local authorities to negotiate with investors about the terms of their participation and payback guarantees;
- the availability of gold mining plants and the jewelry and diamond-cutting industries;
- mining production with capabilities to export raw materials;
- active entrepreneurship which opens the economy;
- and, finally, development of the transport infrastructure.

The railroads and highways being built will link the federal transport routes to the Trans-Siberian and the BAM railways, on the one hand, and Northern seaway on the other. This will entail a number of advantages: complete integration into interregional transport flows from Magadan, Amur and Khabarovsk regions; getting closer to APR markets; and enhanced investment activity.

In terms of foreign investment, Yakutia is currently the second recipient in the Far Eastern Federal District and the twelfth in the Russian Federation.

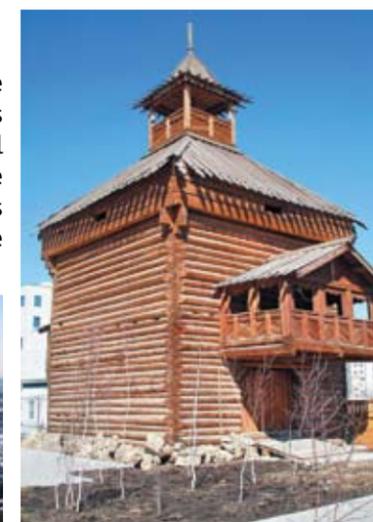
Moreover, the republic's unique tourism potential deserves a special glance.

TIMBER INDUSTRY

Yakutia is associated with Russia's forest rich regions. The area of its forest estate is 255 million hectares, or 47.4% of the territory. The estimated timber stock is 8.9 billion m³. The republic is rich in highly valuable species with unique consumer properties – larch, cedar, pine, etc. The AAC is 35.2 million m³. The AAC percentage actually used is about 5%, i.e. timber harvesting just for export purposes and meeting domestic needs.

Presently, forestry and woodworking are not key industries for Yakutia. They account for only 1% of the aggregate volume of the diamond, gold and coal industries. The development of the forest and woodworking industries is, to a great extent, determined by the climate. Thus, the main timber stock of 1.12 billion m³ is concentrated in the south of Yakutia. The southern district should become the base of the powerful timber industry that is to evolve.

Southern Yakutia plays a vital role in the republic's economic development. It accounts for 13% of industrial output and 10% of financial resources and main assets of the republic. The stocks of developed and forecast mineral deposits of Southern Yakutia make up about 30% of the



**SIBERIAN
FEDERAL DISTRICT**

**Omsk
Region**



republic's subsoil potential. Southern Yakutia has two major mining centers – the Aldansky gold mining and Neryungrinsky mining (mainly coal mining) industries. The Aldansky gold mining area is the oldest of all the developed permafrost mining districts. Its gold production, timber and woodworking industries are quite advanced, and there is a transport network.

**Tomsk
Region**



The Neryungrinsky mining and industrial area got a boost in the previous three decades. In this time, the unique coal deposits served as the base for the industrial complex with a well-formed infrastructure, stimulated the appearance of a big city (by northern standards), Neryungrinsky etc. Moreover, this territory is being intensively explored for goldfields and the newly-discovered deposits are being developed.

**Novosibirsk
Region**



Even the most cursory review of the main geo-ecological factors of nature use in Yakutia discloses that these two mining and industrial areas make one environmental and economic core.

**Krasnoyarsky
Krai**



The south of Yakutia, unlike other districts, offers the most favorable combination of natural resources. Impressive commercial timber stock and the area of the most economically advanced Amur Region and Far East have a strategic value for the region's development.

**Republic of
Khakassia**



The republic's Ministry of Construction is presently working out a concept of timber industry development to ensure an arrangement of production of competitive high-value-added timber products in the territories of the Aldan, Lensk and Ust-Maya districts. The plans provide for integrated timber-processing with export-oriented finished products.

**Irkutsk
Region**



The republic's 23 districts have 238 large, medium and private businesses engaged in timber harvesting and woodworking. From 1996 to 2003, with the support of the Government of the Republic of Sakha, eight big plants were equipped with machines of leading German

**Republic of
Buryatia**



**FAR EAST
FEDERAL DISTRICT**

**Republic of Sakha
(Yakutia)**



Commercial timber and lumber production by year (thousand cubic meters, m³)

Indicator	2002	2003	2004	2005	2006	2007	January – May 2008
Commercial timber	279.8	430	406.9	467.5	546.12	566.5	324.23
Lumber	172.2	226.2	210.6	221.4	240.78	240.90	57.24
Sales outside republic including export							
Commercial timber	10.25	10.7	7.08	12.3	6.21	1.92	-
Lumber	20.06	18.25	21.04	18	24.03	16.78	-

manufacturers Weinig, AG (woodworking), Eisenmann Maschinenbau, KG (drying chambers), Moeringer (sawmilling), Bioflam (a boiling plant), as well as Swedish, Finnish and Japanese machine makers. These top eight plants output export-oriented wood-based products: parquet, furniture panels, laminated products and moldings, millwork, and pre-fabricated timber houses. The aggregate capacity of these plans exceeds 300,000 m³ of finished products per year (based on a one-shift working scheme).

Big and medium harvesting and woodworking Yakutian enterprises are: Almaz LPK, JSC; Almazy Anabara, JSC; Mass, Ltd.; Belkachinsky Lespromkhoz, Ltd.; ALROSA-Lena SK, JSC; Almazlesprom, Ltd., Aldansky LPK, Ltd.; and Yupiter, CJSC.

Presently, their output is used mainly to satisfy the needs of the domestic market. More than 10% of all lumber produced is exported, and about 3% of commercial timber is delivered to other Russian regions.

The investment climate may be improved through institutional changes based on vertical integration. TI processes rely on the processing of raw wood. The fusion of companies applying the same technological processes to jointly use raw materials and produce high-value-added finished products will ensure considerable economic benefits. The problems of the industry include season-dependent timber harvesting due to the lack of year-round forest roads; and the absence of an advantageous long-term credit system secured by replenishment of the working capital, particularly for the purpose of creating off-seasonal timber stocks.

From 2002 till 2008, Yakutia augmented timber harvest by 94.2%, and lumber production by 47.7%. Last year, the sales of wood-based products reached 829.69 million RF rubles, which is 0.3% of the total earnings from all types of economic activities in the republic. Currently, the output is used to satisfy the domestic market. According

to the estimates of 2007, Yakutia occupied fourth place in merchantable timber harvesting (567,020,000 m³) after the Khabarovsk, Primorye and Amursk regions. According to specialists' estimates, the total spending on purchasing processing equipment for TI will cost 2.56 billion RF rubles. Thus, the timber industry may become one of the budget-forming sectors of the republic's economy in the long run.

The economic Council under the republic's government adopted a target program titled 'Development of the Timber Industry of RS(Y) for 2007-2009'. The program demands more rational use of forest resources and more effective performance of the local TI with minimum governmental support.

The measures provided for by the program include the long-term lease of forest plots, the implementation of new woodworking techniques, and the integration of TI and construction companies within the republic. Moreover, a new

centralized marketing center and distribution network has been proposed which will operate in the interests of all the industrial enterprises. An alternative solution to the transport problem is to place woodworking plants closer to the production sites to prevent timber movement over long distances. Local market opportunities may be enhanced, for example, through expanding low-rise timber house construction within the national project of accessible housing. According to the optimal scenario, the investments for the development of existing and creation of new facilities will be attracted within 3-4 years. The value added to timber will grow and new plants oriented at waste-free integrated timber-processing will emerge. The annual production growth rate will be 103-105% on average until 2009. The industrial production growth rate will increase from 1,418 million RF rubles in 2006 to 2,287 million RF rubles in 2009 thanks to higher product competitiveness.

M. Evseeva

**Investment project
of Yakutskaya Timber-Processing Company, Ltd.**

Project title	Organization of timber-processing plant in Lensk district of the Republic of Sakha (Yakutia)
Project initiator	Yakutskaya Timber-Processing Company, Ltd. General Director – Anatoly Yegorovich Generov
Project description	Output: lumber, from 30,000 m³ at initial stage to 100,000 m³ in 3 years
Investment purposes	Purchase of harvesting machines, special transport machines, sawmilling equipment, construction works
Project dates	2008-2013
Project cost	1,144.81 million RF rubles in 2008 prices
GNI	38%
NPV	332 million RF rubles
Payback period	4.5 years
Project life cycle	10 years
Information about available infrastructure	1. Company has a land plot of 16,403 hectares with a total stock of 1,487,120 m³ taken on a long-term lease (20 years) for harvesting in Aldansky district
	2. Total stock is 9,340,680 m³, including: in the city of Lensk – 4,830,800 m³, and in the municipality of Yaroslavsky – 4,509,880 m³.
Markets	Republic of Sakha (Yakutia), Russian regions, export deliveries to Europe
Investment percentage in project	90% loan proceeds
Status information	Investment project has been developed
Funds sources	Budgetary funding or commercial credit
Contact person	Director for Economy and Finance – Tatiana Georgievna Kolomitsyna





**SIBERIAN
FEDERAL DISTRICT**

**Omsk
Region**



**Tomsk
Region**



**Novosibirsk
Region**



**Krasnoyarsky
Krai**



**Republic of
Khakassia**



**Irkutsk
Region**



**Republic
of Buryatia**



**FAR EAST
FEDERAL DISTRICT**

**Republic
of Sakha
(Yakutia)**



**Khabarovsk
Territory**



**Primorye
Territory**



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Main Enterprises of the Republic of Sakha (Yakutia)

Name	Activity	Address	Contacts
Aldansky LPK, JSC	Timber-processing, timber logging. Wood moldings production.	677000, Republic of Sakha, Aldan, Solnechny micro-district, Soyuznaya St., 7/1	Ph.: +7 (4114) 53-67-28, 53-66-92, Fax +7 (4114) 53-64-16
Almazlesprom, Ltd.	Timber-processing. Lumbering	678954, Republic of Sakha, Aldansky district, Sammot 1, Sinegorye settlement	Ph. +7 (4114) 54-18-68, Fax +7 (4114) 54-12-86
Almazy Anabara, JSC	Timber-processing, timber logging. Lumbering	677000, Yakutsk, Chernyshevskogo St., 6	Ph.: +7 (4112) 42-01-02, 45-01-00, 44-16-06, 44-11-42, office@alanab.ru, www.alanab.ykt.ru
ALROSA-Lena, Shipping Company, JSC	Timber-processing, timber logging	678144, Republic of Sakha, Lensk, Naberezhnaya St., 59	Ph. +7 (4113) 74-65-38, Fax +7 (4113) 74-65-34
Argas-Mebel, Ltd.	Furniture production	678300, Republic of Sakha, Kobyaisky district, Sangar settlement, Nagornaya St., 18	Ph. +7 (4116) 32-15-61, semalvas@mail.ru
Belkachinsky LPH, Ltd.	Lumbering. Timber exporters	667000, Yakutsk, Lenina St., 4/2, office 606	Ph.: +7 (4112) 42-05-67, 42-12-17
Berles, Ltd.	Timber logging. Wood sawing. Lumbering. Building	678890, Republic of Sakha, Srednekolymsk, Torgovy Lane, 1	Ph. +7 (4115) 64-21-88, berles@mail.ru
Kiselyova E.V., Private entrepreneur	Timber-processing and logging. Wood sawing. Lumbering	678100, Republic of Sakha, Olekminsky district, Olekminsk, Milioratorov St., 7	Ph. +7 (4113) 84-09-07
Mass, Ltd.	Woodworking. Wood moldings and woodworks sales and manufacturing. Window and door blocks production	677000, Yakutsk, Bestuzheva-Merlinskogo St., 23A	Ph.: +7 (4112) 21-13-29, 21-10-75
Master-Mebel, Ltd.	Furniture production	677000, Yakutsk, Kirova St., 19/2	Ph. +7 (4112) 42-86-71, van-tan@mail.ru
Tabaginskaya Lesnaya Kompania, JSC	Woodworking. Wood moldings and woodworks sales and manufacturing. Window and door blocks production	677911, Yakutsk, Tabaga-1 village, Kalendarashvili St., 16	Ph.: +7 (4112) 40-84-33, 40-83-49, Fax +7 (4112) 40-83-69, 40-84-33
Vitimskaya Lesnaya Kompania, Ltd.	Woodworking. Wood moldings and woodworks sales and manufacturing. Window and door blocks production	677000, Yakutsk, Bestuzheva-Merlinskogo St., 23A	Ph.: +7 (4112) 21-09-65, 21-13-05, vitimles@list.ru
Yakutglesstroy, JSC	Woodworking. Wood moldings and woodworks sales and manufacturing. Window and door blocks production	678960, Republic of Sakha, Neryungri, Naberezhnaya St., 1	Ph. +7 (4114) 74-31-14, Fax: +7 (4114) 74-10-78, 74-08-95
Yupiter, CJSC	Timber-processing, timber logging. Wood moldings production.	677000, Republic of Sakha, Aldan, Solnechny micro-district, Soyuznaya St., 7/1	Ph: +7 (4114) 53-67-28, 53-66-92, Fax +7 (4114) 53-64-16



**SIBERIAN
FEDERAL DISTRICT**

Omsk
Region



Tomsk
Region



Novosibirsk
Region



Krasnoyarsky
Krai



Republic of
Khakassia



Irkutsk
Region



Republic
of Buryatia



**FAR EAST
FEDERAL DISTRICT**

Republic
of Sakha
(Yakutia)



Khabarovsk
Territory



Primorye
Territory



THE KHABAROVSK TERRITORY: SECRETS OF THE FOREST RESOURCES

Situated in the center of the Russian Far East, the Khabarovsk region has one of the highest concentrations of natural resources. It has a quarter of the overall forest density of the Russian Far East. The Khabarovsk region also contains air, land and water routes which connect the internal Russian region to the Pacific harbors, as well as CIS and Western European countries to Asia and the Pacific Rim.

The Khabarovsk region is one of the largest regions of the Russian Federation. Its actual space is 788,600 km², which is 4.5% of the total Russian land and 12.7% of the Far East economic area.

The Khabarovsk region is surrounded by the Sea of Okhotsk and the Sea of Japan (the Gulf of Tatar).

The areas suitable for harborage construction are situated on the coastline of the Gulf of Tatar: the Chikharev and Vanino bays, and especially the unique complex consisting of several highly-protected vast deep-water bays forming the Sovetskaya Gavan Bay.

The Sovetskaya Gavan and Vanino bays are both open for marine transport during the winter.

A well-developed drainage network is a characteristic feature of the region. The rivers of the Amur area constitute the majority of the drainage, which flows into the Pacific. The rest, the rivers of the Lensk area, goes into the Arctic Ocean.

The Khabarovsk region borders China. The nearest neighbors on Russian territory are the Primorye territory, the Jewish Autonomous district, the Amur and the Magadan regions, and the Republic of Sakha (Yakutia).

NATURAL RESOURCES

The Khabarovsk territory plays an important role in the Far East, and in Russia in general, in terms of providing a great part of natural resources: timber, fine fish and fur species, ferrous, base

and noble metal ores, water resources, etc.

There are about 210,000 rivers, of approximately 584,000 km in total length. The majority of these rivers belong to the Amur river system, which is one of the largest rivers in Russia. The total length of the Amur river is 4,440 km, of which 1,500 km is located in the Khabarovsk territory. The largest portion of the water flows to the Sea of Okhotsk, near the Nikolayevsk-on-Amur, on average of 346 km³ of fresh water per year.

The largest Amur river tributaries in the Khabarovsk territory are the Ussuri, Amgun, Bikin, Anuy, and Tunguska. The territory's vast northern area contains the Lena River system, consisting of the Maya River and others. There are more than 58,000 lakes. The Chukchagirskoye, Bolon, Orel lakes are among the largest (300-370 km²), and are situated in the Amur River area.

There are also large quantities of water and upland fowl living in the territory. Up to 98% of the territory's districts are designated for hunting, but full potential for hunting has not been realized yet. There are more than 100 fish species including the sturgeon in the rivers and lakes. The salmon returns from the seas of Japan and of Okhotsk to fresh water, mainly to the Amur river and its tributaries, to breed. The largest school of Pacific herring is in the North sea-fishing area. The navaga, flounder, and some other species of fish, clam, algae, and other marine animals are important for commercial fishery.

There are 29 species of hunting animals and 70 bird species registered in the territory. Ungulate animals (the boar, deer, elk, Siberian stag, etc.), and fur animals (the brown bear, fox, kolinsky, muskrat, otter, sable, squirrel, wolf, etc.) are the main targets during the hunting season. The commercial deliveries of plant products (ferns, berries, mushrooms, crude drugs, etc.) are essential for the remote land inhabitants, in addition to being a culturally-rooted tradition among the small, indigenous communities in the North of the territory. Ungulate animals and fur animals live in the conifer forests' area. The reindeer, weasel and wolverine live in the North. The territory's forests are inhabited by the lynx, the Asiatic black bear, the Ussuri tiger, as well as the American mink, which has successfully adapted to the environment. The sable, mink, squirrel, kolinsky and muskrat are the main targets of the fur trade.

Among the non-timber resources, unique Far Eastern herbs such as ginseng, Eleuterococcus, Schizandra, and aralias are plentiful. Oil and conifer soft resin gathering is also very promising. Cedar and other nuts, wild berries, mushrooms, and ferns are valuable food sources.

Lands used for organic production account for almost the entire Khabarovsk territory. The arable areas are being used in a more intensive way. The total arable area is 695,500 hectares (0.9% of the available land) including agricultural land (131,700 hectares – 0.2%), perennial plantations (24,300 hectares), hayfields (410,300 hectares – 0.5%), and pastures (124,700 hectares – 0.2%). Reindeer pastures occupy more than 20 billion hectares – 26% of the region.





**SIBERIAN
FEDERAL DISTRICT**

**Omsk
Region**



**Tomsk
Region**



**Novosibirsk
Region**



**Krasnoyarsky
Krai**



**Republic of
Khakassia**



**Irkutsk
Region**



**Republic
of Buryatia**



**FAR EAST
FEDERAL DISTRICT**

**Republic
of Sakha
(Yakutia)**



**Khabarovsk
Territory**



**Primorye
Territory**



FOREST STATE OF AFFAIRS

The Khabarovsk region has one of the largest timber resources in Russia. It makes up a quarter of the Russian Far East forestry resources, and more than 6% of all total Russian timber resources. All of the forest reserves are under the public domain. The total calculated wood-cutting area is 24.1 billion m³ per year. Based on current wood-cutting technology, the economically feasible wood-cutting area is 15.6 billion m³ per year. The total forest area is 51 billion hectares.

The forests of the territory are diversified in composition. The calculations for 1 hectare of sylvia-covered forest land are from 40 - 70 m² of light coniferous forests in the Okhotsk coastline in the north, and up to 150 - 160 m² of cedar broadleaved woodland in the south. Coniferous forests are the most prevalent, covering more than 84% of all woodland area, and more than 88% of total forest reserves.

The exploitable and declining reserves in the region are more than 3 billion m³. According to the landscape and forest site conditions, up to 50% of this is available for harvest.

Every year about 700 - 800 forest fires occur in the Khabarovsk region which often extend into the large areas. There have been 15,070 forest fires over the last 20 years. The territory extended by the fires during that period is 2,330,000 hectares. A total of 563 forest fires has been registered during the last year on a territory of more than 187,000 hectares. Firefighting costs exceeded 114 million RF rubles. The subvention was only 34 million RF rubles in that year. At the present time there are 10.2 billion hectares of forest lands that require re-forestation in the Khabarovsk region.

According to the information from the Khabarovsk Ministry of Forestry, 30% of the calculated wood-cutting area is being used. More developed logging technology and infrastructure, and up-to-date re-forestation methods could produce up to 100% yield. The existing circumstances provide a possible logging volume of up to 15 million m³ per year.

A large part of the forest is inaccessible due to the absence of an industrial infrastructure and remoteness of the location. Extensive felling has occurred in the majority of forests near highways and railroads, though the majority of the remotely

Forests' species composition

Main woodland species	By square		By reserves	
	Thousand hectares	%	Billion m ³	%
Coniferous forests	37,450.7	84.1	4,279.2	88.2
Larch	28,122.7	63.2	2,839.5	58.6
Fir, silver fir	7,664.4	17.2	1,224	25.2
Cedar	538.2	1.2	100.9	2.1
Hardwood	1,486.5	3.3	175.8	3.6
Softwood	5,591.5	12.6	394.7	8.1
Total	44,528.7	100	4,849.6	100

Forests' age-class composition

Main woodland species	By square		By reserves	
	Thousand hectares	%	Billion m ³	%
Young growth	8,070.3	18.1	217.9	4.5
Middle-aged	10,536.9	23.7	982.7	20.3
Mature	3,903.6	8.7	647.3	13.3
Mature and overmature	22,017.9	49.5	3,001.7	61.9
Among them available for exploitation	8,831.4	19.8	1,446.8	29.8
Total	44,528.7	100	4,849.6	100

Data provided by the Khabarovsk Ministry of Forestry

The general characteristics of the supply of land in the Russian Federation and the Khabarovsk region

Indices	2007	Estimate				
		2008	2009	2010	2011	2012
Gross regional product						
Khabarovsk region	210.7	243.1	277.4	318.6	334.5	357.9
TI	11.7	9.3	7.3	11.1	16	18.4
TI share in the territory, %	5.6	3.8	2.6	3.5	4.8	5.2
Export from the territory, million US Dollars	2,000	2,200	1,635	1,924	2,234	2,586
Including timber export	973.9	880	315	472	637	829
Timber production export share, %	48.7	40	19.3	24.5	28.5	32.1
The capital stock investments, billion RF rubles						
Khabarovsk region	54.8	61.1	73.3	87.8	96.6	106.3
TI	3.1	6.6	10.6	12.6	9.5	6.8
TI share in the territory, %	5.7	10.7	14.5	14.4	9.8	6.4

Data provided by the Khabarovsk Ministry of Forestry

located forests remain untouched. In the near future, transportation distances will increase, as will the necessity to modernize the infrastructure.

OPERATION OF PLANTS AND THEIR DEVELOPMENT

The work of the timber companies during recent years can be described by its stable increase with the anticipatory pace of development of the reprocessing enterprises.

While transportation volume has increased 1.5 times from 2000 to 2007, saw timber production has increased more than 3 times. Currently there are about 150 forest reserve lessees, the majority of them are small companies.

The total area of the forest reserves' leased territory is more than 10 million hectares. The total timber stand stock in the exploitation reserve accounts for 655 million m³, including 85% of the coniferous forests. The available logging volume on the leased forest grounds is 9.1 million m³. The duration of forest reserve leases is 25 or 49 years.

The leading timber cutting and timber-processing holdings in the area are Dallesprom, JSC; Flora, CJSC; Rimbunan-Khidzhau, and Business Marketing, Ltd., which are among the biggest companies in the Russian Far East.

Progressive logging technologies

Characteristics	Unit measure	2007	2008 (forecast)
Share of aggregate equipment in total logging machinery	%	24.5	25
Logging volume by lumbering lessees with aggregate equipment	Thousands, m ³	4,275	
	Total share, %	50.6	52
Logging volume using cable technology (winch)	Thousands, m ³	300	
	Total share, %	3.6	3.9

Data provided by the Khabarovsk Ministry of Forestry

More than 200,000 m³ per year are stocked by Shelekhovsky LPKh, CJSC; Arkhaim SP, Ltd.; Evoronsky LPKh, CJSC; Forest-Starma, CJSC, etc.

Companies with foreign investments, Vanino Tairiku Ltd., and logging branches of Arkhaim SP, Ltd., are the industry leaders.

TIMBER LOGGING

Despite extensive resources, the forest industry of the region is under-developed. Only 9 out of 10 local timber-processing facilities are sawmills with a capacity of up to 1 million m³ of lumber. The territory also possesses a wood chipboard production facility with a capacity of 30,000 m³. Coniferous plank timber consumption in the region is about 1.5 to 2 million m³. The home market of lumber has been growing due to increases in the construction industry and private housing construction.

I. Burzhinskaya

Volumes of timber transportation (thousand m³)

Timber transportation	2007	2008 (forecast)	2008 - 2007
Railways	6,303.3	6,400	101.5
including to ports	2,000	2,000	
River transport	1,180	1,250	105.9
Sea transport	3,084.3	3,200	103.8

Data provided by the Khabarovsk Ministry of Forestry

Production output (thousand m³)

Characteristics	2007	2012 (forecast)
Lumber production, thousand m ³	750	2,600
including dry lumber, thousand m ³	120	750
Export lumber production, thousand m ³	220	1,300
Glued and splice lumber and produce, thousand m ³	18	100
Peeled veneer production, thousand m ³	14	623
Chipboard production, thousand m ³	27	190
Pulp chips production, thousand m ³	10	240
Furniture production, million RF rubles	585	1,200

Data provided by the Khabarovsk Ministry of Forestry

Cost of timber supplies by TI enterprises million US Dollars

		2007	2012
Export supplies	Roundwood	981	32
	Lumber	39	829
Delivery within the domestic market		110	710

Data provided by the Khabarovsk Ministry of Forestry



**SIBERIAN
FEDERAL DISTRICT**

Omsk
Region



Tomsk
Region



Novosibirsk
Region



Krasnoyarsky
Krai



Republic of
Khakassia



Irkutsk
Region



Republic
of Buryatia



**FAR EAST
FEDERAL DISTRICT**

Republic
of Sakha
(Yakutia)



Khabarovsk
Territory



Primorye
Territory



KEY PROBLEMS WILL BE SOLVED BY KEY INVESTMENTS

The policy of the Khabarovsk regional government on forest management is aimed at creating conditions for faster development of woodworking industries, including deep processing of timber, improving on efficiency of forest resources usage, and upgrading the export structure.

Key forestry problems in the Far East include:

- a shortage of processing facilities and high-tech equipment at woodworking factories, which puts the focus on the export of raw materials;
- limited investments;
- an underdeveloped industrial infrastructure, including transport routes, which hinders logging in remote areas;
- a lowly qualified and deficient workforce.

CREATING CONDITIONS

The government of the region set the course for the industry's development up to 2010.

By 2010, increases in capacities are planned to process 275,000 m³ of lumber, 150 m³ for medium-density fiberboard (MDF) production, 300,000 m³ for peeled veneer production, 140,000 m³ for wood chipboard production, and 100 million RF rubles for furniture production.

The interdepartmental committee on assistance and fulfillment of the priority investment projects, approved by the Decree of the Governor of the Khabarovsk region, Viktor Ishaev, provides considerable assistance in these projects.

An important condition for the realization of this program is the creation and sustainable development of timber companies (holdings) with substantial volumes of raw materials sufficient for the realization of such projects.

The enterprises of this type should combine forestry, timber-harvesting and transport structures. A number of perspective investors in this area are currently being studied by the Government of the Khabarovsk region, but

potential Russian investors are constrained by high production costs and a long repayment period. And the leading importers of roundwood from Russia, including China, prefer to expand their own facilities for high-level processing in their own territory.

There is promise in the production of the chemical thermo-mechanical mass and of wood pulp for the production of cardboard and different kinds of paper made of low key timber and waste wood, which haven't yet found a market.

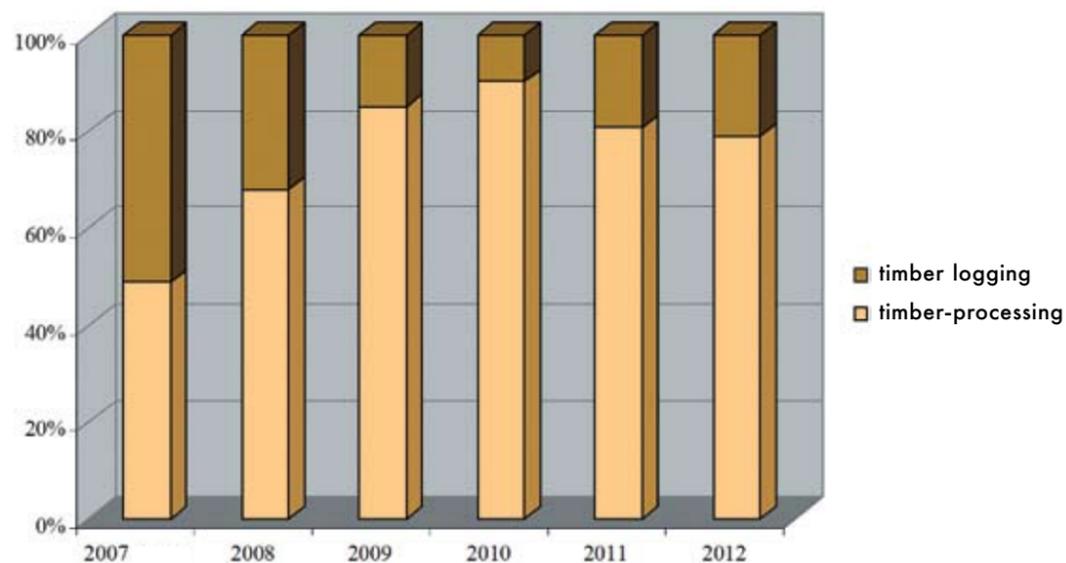
Wooden housing could become the leading direction for the problem of expanding into the domestic market of timber production, including the production of lumbering, board production, veneering and other industries of forestry in the Khabarovsk region.

The development of high-level processing, in particular the construction of new pulp-and-paper complexes and plants for mechanical timber-processing, is impossible without the guaranteed availability of sufficient raw material stock or accessible forest resources. In order to make new enterprises profitable and competitive, they should have guaranteed steady supplies of high-quality raw materials.

In the region's Ministry of Forestry it is deemed necessary to develop auxiliary industries, such as the production of charcoal and its activated form, which are in high demand in metallurgy and in common use. Developing the production of dehydroquercetin, the chemical obtained from the bottom part of the larch which is widely used in pharmaceuticals and food processing, is a good prospect as the market for these products is currently growing.

I. Burzhinskaya

Structure of investments into the TI Capital Stock according to the types of activity



Forecast for investments into the TI of the Khabarovsk region through 2012 (million, RF rubles)

Item	2007	2008	2009	2010	2011	2012
Gross investments	8,807	12,500	15,000	17,200	15,000	12,500
Into timber-processing	1,791	9,000	14,000	14,000	13,000	10,000
Capital assets investments	3,088	6,562	10,590	12,637	9,498	6,760
Into timber-processing	1,511	4,468	9,030	11,416	7,668	5,340

Data provided by the Khabarovsk Ministry of Forestry

Forecast for TI activity key factors of the Khabarovsk region through 2012

	2007	2008	2010	2012	2012 (in percent, % to 2007)
Production of roundwood, thousand m ³	7,600	107.9	6,683	8,200	107.9
Processing of roundwood, thousand m ³	2,333	201	6,343	8,200	351.5
Including % from production of roundwood	30.7		94.9	100	326
Lumber production, thousand m ³	750	142	2,100	2,600	347
Chipboard and MDF, thousand m ³	27	139.9	320	480	1,780
Peeled veneer, thousand m ³	14		375	500	3,571
Sliced wood, thousand m ³			500	500	
Paper pulp, thousand tonnes	-			150	
Chip, thousand m ³ (bulk)	30		530	625	2,083
Furniture, million RF rubles	590	189.5	675	1,200	203.4
Sales volume, billion RF rubles	20.5	170.8	35	42	204.9
Gross VAT, billion RF rubles	12	240	20.8	29.1	241.7
Profit, billion RF rubles	1.9	158.3	2.8	4	210.5
Investments into fixed assets, billion RF rubles:	2.4		9.6	48.6*	
Including woodworking, billion RF rubles	1.1	366.7	8.8	44.9*	
Including by 1 m ³ of the leased resource, RF rubles	115.2	119.2	133.7	225	195.3

*Amount of investments for the period from 2008 to 2012

Data provided by the Khabarovsk Ministry of Forestry

**SIBERIAN
FEDERAL DISTRICT****INVESTMENT PROJECTS****Omsk
Region****A timber-processing plant in the De-Kastri settlement, Ulchsky district****Project initiator** Rosexportles Corporation, Ltd., and De-Kastriles, Ltd.**Aim of the project** Processing plank timber raw materials, producing competitive dry and glued lumber, as well as the usage of timber wastes as fuel for the cogeneration plants producing electrical and heat energy**Distribution market** Countries of north-eastern Asia and Europe**Project cost** 1,900.5 million RF rubles**Raw materials** 300,000 m³ of plank timber per year**State support** Project is recommended to be included on the Federal Target Program**Tomsk
Region****Novosibirsk
Region****Krasnoyarsky
Krai****Republic of
Khakassia****Irkutsk
Region****Republic
of Buryatia****FAR EAST
FEDERAL DISTRICT****Republic
of Sakha
(Yakutia)****Khabarovsk
Territory****Primorye
Territory****A deep timber-processing complex in Amursk****Project initiator** Dallesprom, JSC**Aim of the project** The development of a peeled veneer and bleached softwood sulfate processing mill**Distribution market** The countries of north-eastern Asia and Europe**Project cost** 29.7 billion RF rubles**Raw materials** 300,000 m³ of plank timber per year**State support** The investment project was under consideration to be added to the Federal Target Program 'Economic and social development of the Far East and Trans-Baikal for the period up to 2013'. To generate the infrastructure for this project, 8.7 billion RF rubles of fundraising provision is provided from either the Investment Fund of the Russian Federation or other development investment departments**Creating facilities for OSB boards production in Amursk of the Khabarovsk Ministry of Forestry****Project initiator** The Ministry of Forestry of the Khabarovsk territory**Aim of the project** Creating a plant in Amursk for OSB boards production, with a capacity of 150,000 m³ per year**Distribution market** The international market (the economies of Eastern Asia) at 100,000 m³ per year; the domestic market (construction and cabinet-making enterprises of the Far East) at 50,000 m³ per year**Project cost** 2,100 million RF rubles**Raw materials** Low-grade timber (small dimension plank timber, plywood) required volume of 300,000 m³; suppliers: industries in the related sectors of the logging enterprises**State support** Granting the non-tender lease priority on condition of approved status of a priority investment project**Reclaimed timber and complementary parts for wooden house construction in the Sukpai settlement, Lazo Territory****Project initiator** Ros-DV, Ltd.**Aim of the project** Creating a mill which will process all of the supplied log wood with high quality timber and complementary parts for house construction**Distribution market** East Asia, European countries, and the domestic market**Project cost** 29.7 billion RF rubles**Raw materials** 250,000 m³ of timber per year**DEPARTMENTS OF THE
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Phones +7 (4212) 21-63-38, 21-67-98**Fax** +7 (4212) 21-67-98**Khabarovsk Research Center, Far Eastern
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Research Center, Far Eastern Branch, RAS****Director** – Viktor Grigorievich Zavodinsky**Address** 680042, Khabarovsk,

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**SIBERIAN
FEDERAL DISTRICT**

**Omsk
Region**



**Tomsk
Region**



**Novosibirsk
Region**



**Krasnoyarsky
Krai**



**Republic of
Khakassia**



**Irkutsk
Region**



**Republic
of Buryatia**



**FAR EAST
FEDERAL DISTRICT**

**Republic
of Sakha
(Yakutia)**



**Khabarovsk
Territory**



**Primorye
Territory**



Main Enterprises of the Khabarovsk Territory

Name	Activity	Address	Contacts
Amur DOK, JSC	Lumbering: particle board and sawn timber production	682640, Khabarovsk territory, Amur district, Amursk, Zapadny highway, 55	Ph. +7 (4214) 22-84-50
Amurstroyles, Ltd.	Lumbering	680032, Khabarovsk, Avtonomnaya St., 4	Ph.: +7 (4212) 64-92-70, 21-87-58
Aqua Vostok, Ltd.	Lumbering: plywood and fiberboard	680014, Khabarovsk, Permskaya St., 7	Ph.: +7 (4212) 27-33-85, 27-33-90, akva@mail.kht.ru
Arkaim SP, Ltd.	Woodworking tools and equipment: production and sale. Lumbering	680018, Khabarovsk, Voronezhskoye highway, 178	Ph. +7 (4212) 79-37-00, service@arkaim.ru
Business-Marketing, Ltd.	Deep timber-processing. Forest products' export	680030, Khabarovsk, Oblachny Lane, 78A	Ph.: +7 (4212) 23-28-66, 23-33-24, bm@bm.khn.ru, postmaster@bm.kht.ru
DalEuroLes, Ltd.	Lumbering: timber and wood products sale, timber exporting	680030, Khabarovsk, Oblachny Lane, 78A	Ph.: +7 (4212) 23-33-24, 23-34-39
Dallesprom, JSC	Woodworking. Timber harvesting. Deep timber-processing. Lumbering	680000, Khabarovsk, Pushkina St., 23A	Ph.: +7 (4212) 79-38-48, 79-38-49, Fax +7 (4212) 32-47-69, dallesprom@email.kht.ru
Dallesprom-Timberjack, JSC	Harvesting equipment	680052, Khabarovsk, Gorkogo St., 61A	Ph.: +7 (4212) 64-97-80, 64-97-82, dal-tj@mail.khv.ru, www.timberjack-dv.ru
Dallestroy, JSC	Lumbering: sawn timber, fiberboard, particle board, plywood and matches	680030, Khabarovsk, Fabrichny Lane, 2	Ph.: +7 (4212) 21-61-66, 21-95-58, 21-71-70, 21-46-03
De-Kastriles, JSC	Timber harvesting and transportation	681000, Khabarovsk territory, De-Kastri settlement, Krasnoflotskaya St., 4	Ph. +7 (42151) 41-41-40, ext. 2225, 2638, v.pat@rambler.ru
Diarsy Khabarovsk Group, Ltd.	Harvesting machines: timber loaders and log trucks	680000, Khabarovsk, Postysheva St., 11, office 19	Ph.: +7 (4212) 41-22-11, 41-16-21, drckhv@drckhv.com
Dormashimport, Ltd.	Harvesting machines: sale, Ponsee company's dealer	680042, Khabarovsk, Voronezhskaya St., 129	Ph.: +7 (4212) 62-90-42, 76-41-84, 76-41-93, dormash-dv@mail.ru, www.dmi-dv.ru
Dynastia-Drev, Ltd.	Woodworking: wood-based panels	680000, Khabarovsk, Angarskaya St., 2A	Ph. +7 (4212) 36-20-26, drev@voyage.khv.ru, www.dynastydrev.ru
Expo-Trade, Ltd.	Harvesting machines	681000, Komsomolsk-on-Amur, Lesozavodskaya St., 6	Ph.: +7 (4217) 52-79-64, 52-79-71, 52-79-73, 52-79-74, marketing@expo-trade.ru, www.expo-trade.ru
Flora, CJSC	Timber harvesting and wood sawing. Forest products' export	681027, Khabarovsk territory, Komsomolsk-on-Amur, Kirova St., 79/2	Ph. +7 (4217) 54-35-21, Fax +7 (4217) 54-70-16, flora@flora.kmscom.ru
Graviton Far East	Woodworking: equipment and tools. Harvesting machines. Drying equipment: production and sale	680009, Khabarovsk, Gorky settlement, Novaya St., 42	Ph.: +7 (4212) 27-50-98, 27-50-99, 27-16-78, info@stanki.biz, www.stanki.biz
Sigma Group Holding, Ltd.	Woodworking	680000, Khabarovsk, Leningradskaya St., 30	Ph. +7 (4212) 32-66-06
Husqvarna, Ltd.	Woodworking equipment	680014, Khabarovsk, Vostochnoye highway, 45	Ph.: +7 (4212) 31-44-03, 31-27-20
Lestekhconsulting, Ltd.	Harvesting equipment	680013, Khabarovsk, Leningradskaya St., 28, ABK workshop 8, office 403-416	Ph. +7 (4212) 38-17-57
Lidoga-Trading, Ltd.	Woodworking: sawn timber	682361, Khabarovsk territory, Nanaisky district, Lidoga settlement, Zavodskaya St., 1	Ph.: +7 (4215) 64-83-67, 64-83-32, buhlt@yandex.ru
Liebherr-Russland, Ltd. (representation)	Woodworking: equipment and tools. Harvesting equipment and machines. Special technology: production, sale and supply	680000, Khabarovsk, Gogolya St., 21, office 501	Ph.: +7 (4212) 74-78-47, 74-78-49, 747849@mail.ru, Elena.Ignatjeva@Liebherr.com, www.Liebherr.com
Mariinsky LPH, Ltd.	Lumbering. Timber exporting	680028, Khabarovsk, Turgeneva St., 96, office 3, room 3	Ph. +7 (4212) 45-35-35
Marubeni Corporation	Harvesting machines	680030, Khabarovsk, Postysheva St., 22A, office 509	Ph.: +7 (4212) 45-60-62, 45-60-61, www.marubeni.com
Mega-Story, Ltd.	Wooden house building	680030, Khabarovsk, Lenina St., 57, office 408	Ph.: +7 (4212) 41-28-02, 41-28-12, mega-stroi@list.ru, www.mega-stroi.ru

Name	Activity	Address	Contacts
Meridian DV, Ltd.	Lumbering: round timber	682030, Khabarovsk territory, Verkhnebureinsky district, Chekdomin settlement, Parkovaya St., 6	Ph. +7 (4214) 95-41-66, Meridianzz@yandex.ru
Michael Weinig AG, representation	Woodworking equipment	Representation in Khabarovsk and Amursk territory: 680030, Khabarovsk, Lenina St., 42, office 50	Ph. +7 (4212) 31-46-54, www.weinig-ag.ru
Model Timber-Processing Union, JSC	Lumbering. Wood-processing	680000, Khabarovsk, Zaparina St., 87	Ph.: +7 (4212) 32-23-07, 34-81-75
Modul, Ltd.	Lumbering. Wood-processing. Timber sale	680000, Khabarovsk, Kalinina St., 134	Ph.: +7 (4212) 31-37-17, 35-76-87
Nord-Company, Ltd.	Lumbering. Woodsawing	680020, Khabarovsk, Zaparina St., 3	Ph.: +7 (4212) 21-37-46, 21-32-55
Phitontsid, Ltd.	Lumbering	680032, Khabarovsk, Avtonomnaya St., 12	Ph.: +7 (4212) 39-46-21, 64-92-78
Pilotekh-DV, Ltd.	Woodworking equipment: production and sale	680032, Khabarovsk, Zelyonaya St., 18, office 22	Ph.: +7 (4212) 41-11-29, 41-44-15, pilotekh@mail.ru
Rimbunan-Khidzhau International, Ltd.	Lumbering	680000, Khabarovsk, Dzerzhinskogo St., 4	Ph.: +7 (4212) 74-96-61, 74-96-63
Resurs, Ltd.	Lumbering	680007, Khabarovsk, Shevchuka St., 28A, office 59	Ph. +7 (4212) 36-15-68
Rimbunan Khidzhau International, Ltd.	Lumbering	680000, Khabarovsk, Dzerzhinskogo St., 4	Ph.: +7 (4212) 74-96-61, 74-96-63
Sarkis, Ltd.	Wood sawing, manufacture	680000, Khabarovsk, Kalinina St., 123, office 11	Ph.: +7 (4212) 77-14-72, 41-64-07, info@sarkis-dv.ru, www.sarkis-dv.ru
Sigma Forest, Ltd.	Wood sawing, manufacture	680000, Khabarovsk, Leningradskaya St., 30	Ph. +7 (4212) 72-16-90, vladalpopov@mail.ru
Smena Trading, CJSC	Lumbering: timber and wood products sale, timber exporting	680000, Khabarovsk, Kalinina St., 28	Ph.: +7 (4212) 30-00-83, 30-00-93, mail@smena.com, www.smena.com
Sodeistvie-Trade, Ltd.	Harvesting equipment	680000, Khabarovsk, Frunze St., 14-1	Ph. +7 (4212) 31-33-84, st@strade.khv.ru, www.strade.khv.ru
Stanley	Furniture production	680013, Khabarovsk, Lenina St., 65	Ph.: +7 (4212) 42-55-11
Stayer-DV, Ltd.	Lumbering: sawn timber production	680011, Khabarovsk, Znamenshchikov St., 12, office 32	Ph. +7 (4212) 34-40-50
Suluk, Ltd.	Harvesting machines	Head office: 682088, Khabarovsk region, Suluk settlement, Molodiozhnaya St., 2/4 Representation: 680009, Khabarovsk, Promyshlennaya St., 20E	Ph.: +7 (4214) 93-45-30, 93-45-71, sulukkht@suluk.ru, Ph.: +7 (4212) 40-08-42, 40-08-49, suluk@suluk.kht.ru, www.suluk.ru
Tekhservice-Khabarovsk, JSC	Woodworking: equipment and tools. Harvesting machines. Drying equipment: production and sale	680023, Khabarovsk, Tsentralnaya St., 34	Ph.: +7 (4212) 41-44-22, 36-18-20, 36-18-05, 36-45-75, 79-45-75, hbr@tsgroup.ru, www.tsgroup.ru
UMAX-DV, CJSC	Lumbering: sawn timber	680021, Khabarovsk, Lva Tolstogo St., 22, office 304	Ph.: +7 (4212) 31-87-81, 32-76-19, 31-84-53, umax-dv@mail.ru
Vanino-Tairiku, Ltd.	Woodworking: sawn timber for wooden construction. Exporting	682880, Khabarovsk territory, Sovetskaya Gavan, Lazo St., 8	Ph.: +7 (42138) 69-801, 69-803, 69-804, Fax +7 (42138) 69-802, vanino-tairiku@mail.sovgav.ru
Vostok-Business-Center	Boards' sale	681010, Komsomolsk-on-Amur, Vasyanina St., 18, office 2	Ph.: +7 (4217) 59-42-00, 28-34-01, sale@vbcenter.ru, www.vbcenter.ru
Wood Export, PKF, Ltd.	Lumbering. Timber exporting	680030, Khabarovsk, Pavlovicha St., 13, office 315	Ph. +7 (4214) 941-05-38
WOODEX Khabarovsk, Ltd.	Lumbering: sawn timber	680014, Khabarovsk, Shestedsyat Let Oktyabrya Ave., 170	Ph.: +7 (4212) 27-40-00, woodex@company.kht.ru
Zeysky LPK, JSC	Lumbering: sawn timber	Head office: 676246, Amursk territory, Zeya, Zapadny Lane, 9 Khabarovsk representation: 680000, Khabarovsk, Pushkina St., 50	Ph. +7 (4165) 82-43-41 Ph. +7 (4212) 30-29-53

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FEDERAL DISTRICT**Republic
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TerritoryPrimorye
Territory

PRIMORYE – THE SPACIOUS OUTSKIRTS OF RUSSIA

The Primorye territory is situated on the southeastern outskirts of Russia – the southernmost part of the Far East, on the shores of the Sea of Japan. The territory of the region is 165,900 km², which is about 0.97% of the RF area. The Primorye territory is one of the medium-sized regions of Russia. Nevertheless, it is considerably larger than such states as Greece (131,900 km²), Bulgaria (111,000 km²), or Iceland (103,000 km²).

Besides the mainland part, Primorye territory has numerous islands: Russian, Popova, Putyatina, Reyneke, Rikorda, Rimskogo-Korsakova, Askold, Petrova, etc. The names of many of these islands are given in the honor of Russian seafarers, who discovered or explored our Far Eastern seas and lands; and also in the honor of the ships on which these expeditions were accomplished.

About 30% of the entire social and economic potential of the Far East is concentrated in the region: population, gross regional product, industrial and agricultural production.

The number of administrative-territorial units is as follows: districts – 25, cities subordinate to the region – 11, urban type settlements – 46, villages – 219. The main cities of the region are Vladivostok, Nakhodka and Ussuriysk. The capital of the region is Vladivostok. It was founded in 1860. The distance from Moscow to Vladivostok is 9,302 km. The city is divided into five regions: Leninsky, Pervomaysky, Pervorechensky, Sovetsky, Frunzensky.

The distance between the extreme northern and southern points is 900 km, and 430 km from west to east. The south of the Primorye territory borders the Democratic People's Republic of Korea. To the west it borders the People's Republic of China. The east and the southeast borders of the region are washed by the waters of the Sea of Japan, which is the marginal sea of Pacific Ocean. Free access to the Pacific Ocean, the special features of geopolitical situation and the magnitude and diversity of the territory make the geographical location of the Primorye territory amazingly advantageous.

The region plays an important role in Russian international connections with many countries of Asia-Pacific region.

On an international scale, the Primorye territory's strongest economic ties are with Japan, the People's Republic of China and the Republic of Korea. The region has significant business connections with Taiwan, Thailand, Singapore, and the USA. In the overall structure of export, raw materials still predominate. The greatest proportion of goods belongs to fish, sea products and canned foods. Amounts of wood, nonferrous metals, chemical products, transit of ferrous metals and fertilizers are also substantial.

Most of the Primorye territory (about 75%) is covered with forests. The forested area is 12.3 million hectares, with the total growing stock of 1.75 billion m³. There are many different species of coniferous trees (cedar, fir, spruce and larch); deciduous trees (white birch, aspen, and linden); and hardwood species (oak, ash, elm and yellow birch). All of these species are used in the economy, but the coniferous species, especially cedar, have the most valuable wood. For humanity, the forests fulfill many useful functions: the opportunities to obtain wood, nuts, mushrooms, berries, medicinal plants and the fur and meat of wild animals; the conservation of nature; and supplying the atmosphere with oxygen. Therefore, all forests are divided into three groups according to their nature-conservancy function and rational use of natural resources.

In the first group (26%) logging is strictly prohibited. In the second group (9%) limited

harvesting is allowed. Only forests of the third group (65%) are exploitable; most of the wood comes from here. About 60% of the forested areas in the region are forests of the third group, and forests where logging is possible make about 75% of the total forested area. In order to use forest resources continuously, specialists determine the rules and regulations for the calculation of the annual yield. It is about 10 million m³ per year in the Primorye territory. Actually, in some places there is a considerable overcut, but in some inaccessible areas forest might not be cut at all.

NURSERIES FOR THE UNIQUE FOREST

The value of the region's forest isn't solely in the volumes of wood. The involvement of some additional wooded areas into the operation is limited by their conservancy values. The area of these restricted forests is about 45% of the gross area of the region. There are several types of the conservation areas: wild life areas, water shelterbelts, pure cedar stands, basswood groves, etc. Exceptional biodiversity and a wide variety of rare and endangered species of plants and animals make the forest of the Primorye territory the only one of its kind in Russia. The amazing nature of the region combines some boreal and heat-loving plants. Here, next to the northerners like fir, spruce, pine, and powerful cedar, grow subtropical trees, such as the Phellodendron Amurense, which is also called Amur Corktree. Next to the birch and mountain ash, we can see Manchurian walnut and aralia. The following plants are quite common in the thick taiga of the region: subtropical lianas, Amur grape, and Schisandra Chinensis. And, of course, the legendary ginseng, the so-called root of life, grows here too. In the flora of the Primorye territory, there are some relict and medicinal plants which survived the Quaternary and glacial periods. Their presence makes these forests quite unique. Therefore, these very special cedar-broadleaved forests require regeneration. The restoration of cutover and burned-out areas is accomplished by planting the most valuable species of trees; and by regulation of the natural regeneration of barren lands on the basis of gene pool preservation, ecosystem management, and genetics and selection development. Forest cultures have been planted to form a cedar-broadleaved forest, one of the most productive, complex and diversified in the world. For this purpose, forest nurseries are created in the region. There is also a greenhouse

complex for the cultivation of containerized tree seedlings.

The main goal of the forest policy of the region for the forecasted period is to achieve and maintain steady development of the timber industry in order to provide forest products and services for all aspects of life of the region's population: social, environmental and economic. It is also important to maintain the environmental conditions to ensure comfortable and healthy life of the population of the region and the protection of biodiversity. The principal condition for the wellbeing of the environment is protection of the forest as a part of ecosystem.

I. Borin

Some facts and figures

The total area of the Primorye territory – 16.5 million hectares (1% of the territory of the Russian Federation)

The gross area – 12 million hectares with a total standing volume of approximately 1,700 million m³

The exploitable mature and overmature stands – 37% (2% of the RF total volume)

The young and middle-aged stands – 58%, (mature and overmature make up 42%)

The coniferous species – 57%

The hard-wooded broad-leaved species – 27%

The broad-leaved species – 16%

The allowable final cut – 7.5 million m³ (including 5.4 million m³ which are economically accessible)

Leases for the timber land holdings issued for a total area of 6.4 million hectares, with the yearly cut of 4 million m³

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THE GREEN TREASURE OF THE COUNTRY

In the structure of the Primorye territory's economy, the forest industry is one of the most important sectors because of its economic and social significance. The TI of the region is represented by all types of production, from logging to wood sawing, wood-processing, furniture manufacturing, and wood product marketing within the country and abroad.

According to the administration of Primorye territory, prospects for the development of the TI within the framework of strategy, steady development and integration into Asian-Pacific region must be directed toward the realization of a set of measures to ensure the stabilization and subsequent advance of the TI. These measures are reflected in the basic trends of the development of the region as determined by 'The Strategy of Social and Economic Development of the Primorye territory for 2004-2010'. There is a special program for TI development which provides for the further progress of the branch by utilization of local potential; mobilization of investments; improvement of quality and competitiveness of output; introduction of resource-saving, ecologically safe methods and production technologies. The intensification of forestry production, the expansion of wood-processing and finished product facilities, first of all, should become the foundation for the development of the TI.

TI DEVELOPMENT PROGRAM

Work on development and implementation of the programs of use, protection, conservation and

reproduction of forests, and also development of the TI as a whole, is being conducted systematically. In the past year the federal budget allocated 217 million RF rubles to the Primorye territory for the reforms in accordance with the new forest code. These funds were used to create a forest management department in the structure of the regional administration, aerial surveillance subdivisions, and to reorganize forest divisions. The size of federal subventions for the region was 311 million RF rubles in 2008.

TO PRODUCE AND TO SELL

The TI of the region is represented by several different types of production: timber cutting, wood-processing, and furniture manufacturing. Also, it does the marketing of wood products domestically and abroad. The main and the most specialized productions of the region are the ones belonging to Terneyles, JSC; Primorsklesprom, JSC; Ussuriysky Kartony Kombinat, JSC; and Les Export, CJSC. The share of these enterprises in the overall volume structure of production is as follow: logging – 77%, roundwood production – 76%,

lumber – 75%, chips – 100%, furniture – 37%, and commodity production – 90%. These enterprises, within the framework of their associations, form an integrated wood cutting and wood-processing complex. They all follow common technical, financial, economic, marketing, export and personnel policies. Their business activities include: wood harvesting, forest restoration, protection and conservation of their timber land holdings, wood-processing, lumber sawing, wood chipping, furniture production, international trading, construction and maintenance of industrial and social facilities, warehousing services, etc.

In their production strategy has appeared: a tendency for the woodworking sector's growth; a priority of the export of processed wood and a reduction of raw materials' share; an increase in the production volumes; and use of firewood, pulpwood, and wood of low-valued species. Altogether, there are more than 400 enterprises and organizations in the region involved in the forest industry activities, which employ about 15,000 people.

GROWING WEALTH

One of the fundamental components of the economic potential of the region is its raw materials base. Annual allowable cut (AAC) is 8,330,100 m³, including economically accessible 6,029,100 m³. More than 40% of the AAC is among territories inaccessible by transport. Cutting on steep slopes is impossible using current equipment and methods, so such areas fall out of the logging operation. The total of the region's existing wood reserves, subject to appropriate investments and introduction of advanced technologies, could ensure an increase in the volume of cut timber by a minimum of 1.5-2 million m³. Some parts of the cutting area are scattered by small sections, and, therefore, they are economically unfavorable for logging.

Unfortunately, the TI is still clearly export oriented and serves as a source of raw materials for the forest enterprises of other countries. The portion of unprocessed wood going for export exceeds 70%, lumber – 73%, and pulp chips – 100%. This orientation of the TI is mainly due to: the remoteness of the territory from the European part of the country, high railroad tariffs, proximity of the capacious markets of the southeastern Asian countries, the state

of development of the internal infrastructure, and the availability of non-freezing year-round ports.

The main country-importers are China, Japan, and the Republic of Korea. In recent years, due to the increase of high-technology wood production, trade with Denmark, Great Britain, and the USA has begun to develop too. More than 2.3 million m³ of roundwood and about 100,000 m³ of lumber are exported to China yearly. And more than 550,000 m³ of roundwood; 70,000 m³ of pulp chips; 24,400 m³ of lumber; and 25,000 m³ of laminated wood materials, which have the greatest added value, go to Japan.

PROBLEMS AND SOLUTIONS

There are basic interconnected problems of forestry and timber industry – the lack of wood-processing facilities and a shortage of high-tech equipment at the woodworking enterprises. The wear of the capital assets of many sawing and woodworking productions reaches 60%. That is why the degree of wood-processing is extremely low. In this situation, the most critical and still persisting problem of the TI is the development of high-technology production for all types of wooden raw material processing: mechanical, chemical and energy. Solving this problem would make it possible to utilize low-grade wood and wastewood as well.

A considerable factor holding the development of the TI back is the necessity of shifting logging operations into remote inaccessible places where there are no roads and infrastructure. Practically, there are no forest roads being built, so huge amounts of wood can't be reached and are going to waste. Cut wood is hauled out of the forest in winter conditions, mainly without any roads and with heavy damage to the environment. Forest fires occur yearly over considerable areas and bring irreplaceable losses to the wood supplies, sometimes on catastrophic scales. Because of the aforementioned problems, the primary tasks of the forest industry of the region in this kind of situation are as follows: to use the forest resources in the most rational way, to improve the quality and competitiveness of the output, to supply high-quality paper production for our domestic market, and to simultaneously increase its export share.

I. Borin

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(Yakutia)****Khabarovsk
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THE INDUSTRIAL STRONGHOLD

Already for a few decades, the Primorye territory has proven to be one of the largest in Russia, not only territorially. It also plays an important role in the industrial sector of the country. The largest TI enterprises are a significant part of the region's industry, they support the economic stability of the region and create good prospects for further development.

TERNEILES, JSC

The group of Terneyles enterprises consists of seven daughter production companies. The business activities of the group are spread into three districts of the Primorye territory (Krasnoarmeysky, Terneysky, Pozarsky) over an area of 2,481,600 hectares with a yearly allowable final cut of 1,936,100 hectares. There are more than 3,000 employees at the group's enterprises. The company specializes in timber harvesting and wood-processing. The main office of the company is located in the village of Plastun in the Terneysky district of the Primorye territory. Three enterprises which belong to the group are located here too: a softwood-processing plant for STS Technowood, a PTS hardwood-processing plant, and Plastun producing lamina. Today, Terneyles is not only the biggest harvesting company, it is also engaged in deep wood-processing.

An analysis of contemporary market tendencies of the world trade shows that there is a new market niche swiftly developing – certified forest production. Therefore, the most important priority of the company's activity is the development and introduction of a system of quality environmental management, which corresponds to internationally acknowledged standards (ISO 14001, FSC). Terneyles is expanding the basic production, advancing its activity into new sections of timber lands, adopting resource saving technologies, and developing the social sector. In the current year, the enterprise is planning to cut 955,000 m³ of wood, produce 204,000 m³ of pulp chips, and produce commodity production for 2,037 million RF rubles. It is also planning to bring wood cutting up to 1,188,000 m³ and to produce commodity production for more than 2,536 million RF rubles by 2010. The strategic partner of Terneyles, JSC on the investment issues directed toward the realization of strategic goals and plans of the enterprise is Sumitomo Corporation (Japan).

LES EXPORT, CJSC

Les Export, CJSC was established in 1997. Originally, the main activities of the enterprise were harvesting and export of wood of valuable species. Carefully observing consumer demands and market requirements, in 2000 the company's management made a decision to build a wood-processing plant, and, already, in the middle of 2002 it began to function.

The production of the company is well known on the Russian market. First of all, this is oak and ash parquet board of wide dimensional number and a diverse color range. Doors manufactured here of solid oak, ash and cedar beautify apartments, offices and hotels far beyond the limits of the Primorye territory. Furthermore, the company also produces base moldings, door frames, casings, oak, ash and cedar furniture panels, and custom furniture. The equipment of Weinig (Germany) makes it possible to produce goods of such quality that they have been repeatedly awarded prizes at Moscow and international exhibitions. On the preliminary orders, the company produces furniture panels and parquet blanks which are sent to Japan, Canada and China. Also, it trades with Korea, Vietnam, Denmark, and Kazakhstan. The production potential of the enterprise grows constantly: each month more than 1,000 m³ of finished products go for export. The total annual export turnover is about 7,535,042 US Dollars.

PRIMORSKIE LESOPROMYSHLENNIKI, JSC

Primorskíe Lesopromyshlenniki, JSC (Primorsk-lesprom) is one of the leading and oldest TI companies in Primorye. In December of 2007 the company celebrated its 75th anniversary. The annual allowable cut of the enterprise is 735,000 m³, from which 648,000 m³ of roundwood is produced, out of which conifers make 457,000 m³, broadleaves – 44,500 m³, and soft-wooded broadleaves – 146,500 m³. The actual cut is about 700,000 m³ per year.

There are more than 3,800 employees (including daughter companies) at the enterprise. The annual turnover is about 2 billion RF rubles. Imported and purchased domestically saw mill equipment makes it possible to saw coniferous and broadleaved roundwood into lumber, but wood of soft-wooded broadleaves remains unused. To process wastewood cuttings and soft-wooded broadleaved lumber waste, there is a Primorsklesprom project to build a factory for MDF production in Chuguevka and a plant for OSB production in Dalnerechensk. This project has been sent to MinPromEnergo of Russia to be included into the federal special-purpose program 'The development of wood-processing facilities and new timber lands for the period until 2015'.

FOREST-STAR, LTD.

Forest-Star, Ltd. is a holding company set up in October of 2000. It has been on the forest production market for seven years. The holding is a group of enterprises located in several districts of the Primorye territory, which conducts timber cutting and production activities on the territories of the Chuguevsky, Spassky and Olginsky districts. Today, the AAC of the company's timber land holdings is about 100,000 m³. Out of this amount, broadleaved species account for 38%, soft-wooded broadleaved species – 29%, and the rest – conifers.

Each branch of the holding cuts timber, has yards and storage, stationary and mobile machinery, employees, equipment and tools for logging, loading, wood transporting, and also woodworking facilities intended for the primary sawing of wood, which is delivered after that to the main plant in Spassk-Dalny (which has been operating since 2005). Its capacity is 50,000 m³ per year.

According to the investment project, Forest-Star is planning to put into operation some new industrial capacities for wood sawing and producing commercially dry lumber for housing at the woodworking complex in Spassk-Dalny, with a volume of 20,000 m³ per year, using up-to-date technological equipment. The finished production will be going for export in the form of lumber sets. During 2006-2007, some of the wood sawing, drying and parquet slab production capacities started operating, their total production volume is 12,000 m³ per year.

The current year's plan is to launch a woodworking complex in Chuguevka with a yearly capacity to saw 50,000 m³ of coniferous and soft-wooded broadleaved wood into commercially dry lumber and rotary-cut veneer. The holding also plans to build a woodworking complex in Olga, which will process no less than 30,000 m³ of wood into lumber and wastewood products – pulp chips and OSB. These products will go to the foreign and domestic markets as well. In order to fulfill these plans, it is necessary to invest into the production approximately 100 million RF rubles during 2008–2010.

PRIMORSKY LESOKOMBINAT, LTD.

Primorsky Lesokombinat, Ltd. is located in Dalnerechensk of the Primorye territory. It was established on September 14, 1998. The company is experienced in log conversion, lumber sawing, and production of other types of produce. The raw materials of Primorsky Lesokombinat is a forested area of 42,000 hectares with a standing volume of mature and overmature wood of 6.5 million m³. Sticking to the AAC and following environmental standards, such standing volume will make it possible to plan ahead for a steady work of the enterprise for a quarter of a century minimum. The range of the company's activity is quite diverse – from logging to integrated wood-processing: organization and conducting of timber cutting; wood transportation; harvesting of minor forest products; wood sawing; production and realization of consumer goods; furniture; building materials; trading activity including forest products, building materials, furniture, lumber, ferrous and non ferrous metals.

The production of Primorsky Lesokombinat includes lumber, door units, parquet, building components, and sliced veneer. The best wood of broadleaved species is used for the production of sliced veneer: ash, oak, manchzhurian walnut, elm, and also basswood, birch, and maple. Modern equipment, including an Angelo Cremona (Italy) sliced veneer production line, Casati (Italy) rotary-cut veneer production line, Costa (Italy) parquet production line, and other domestic and imported woodworking machines make it possible to manufacture high-quality products, which is in quite popular demand in Russia and overseas. Products have been sold to China, Singapore, Taiwan, CIS countries and to all regions of Russia.

I. Borin



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Territory**



**Primorye
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Primorye Research Institute of Agriculture, RAS

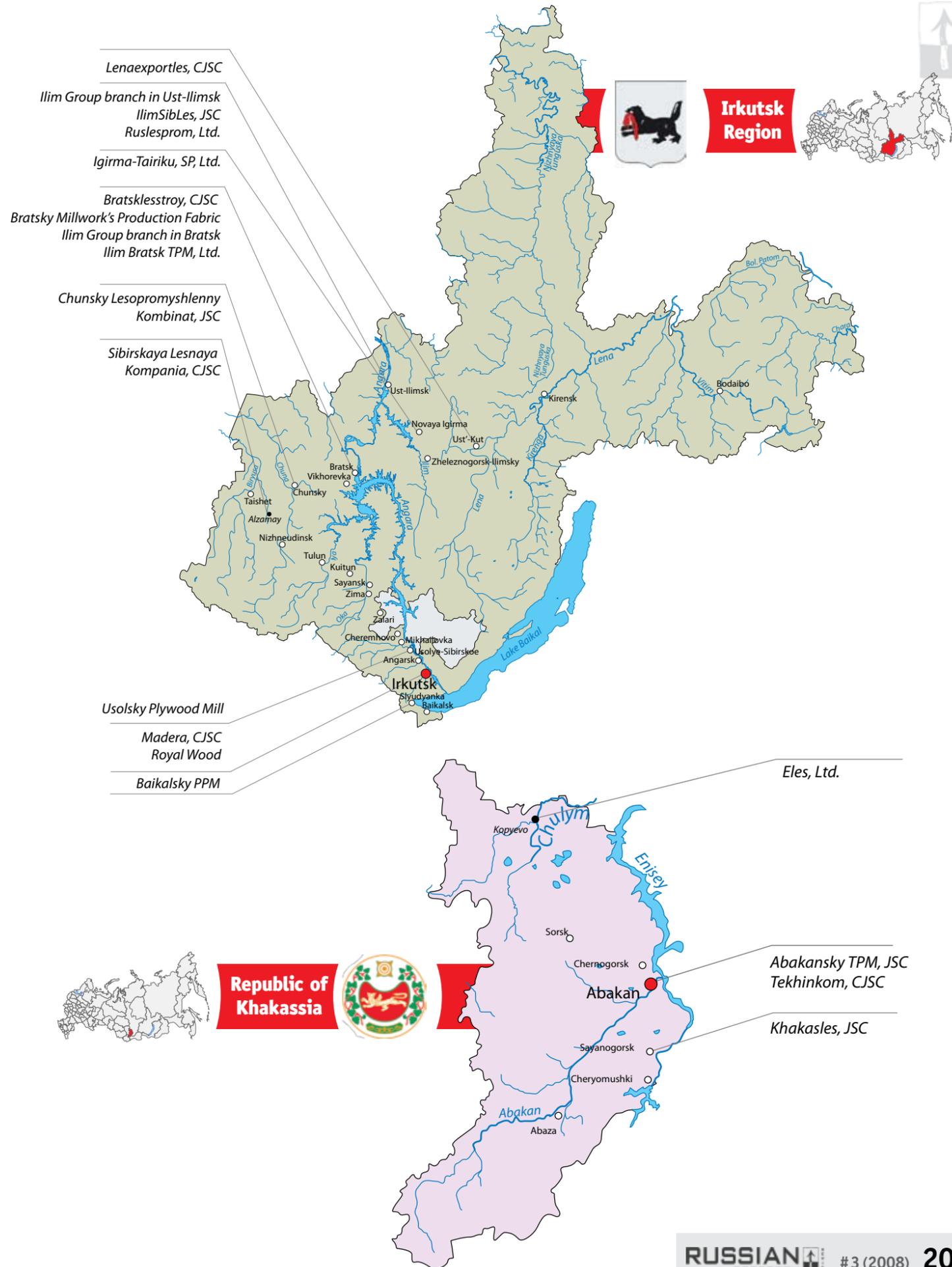
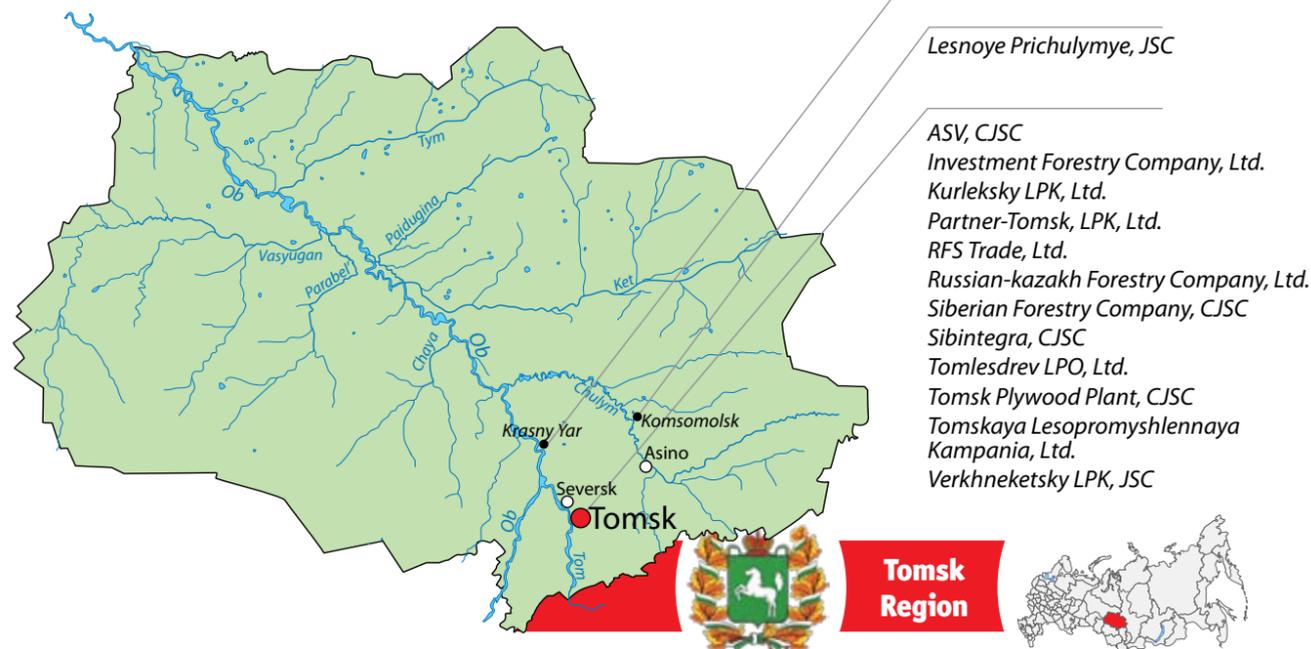
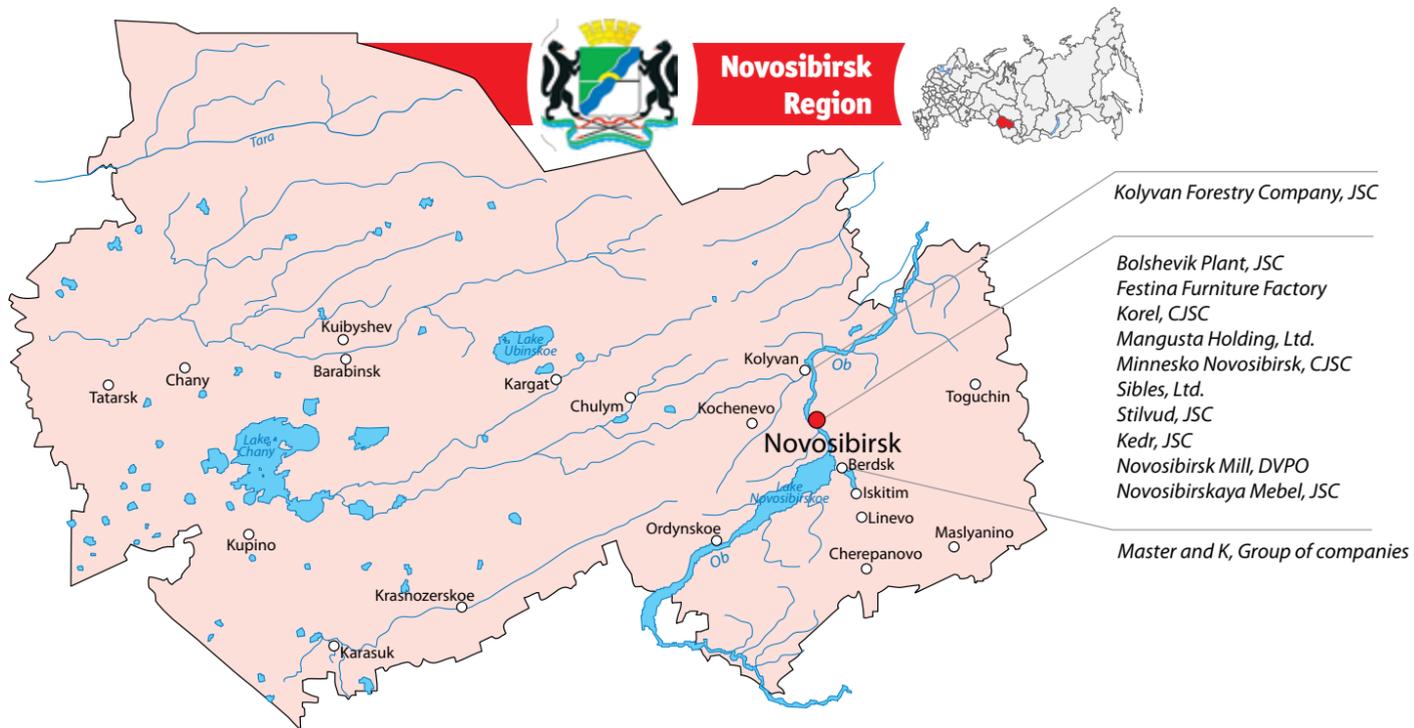
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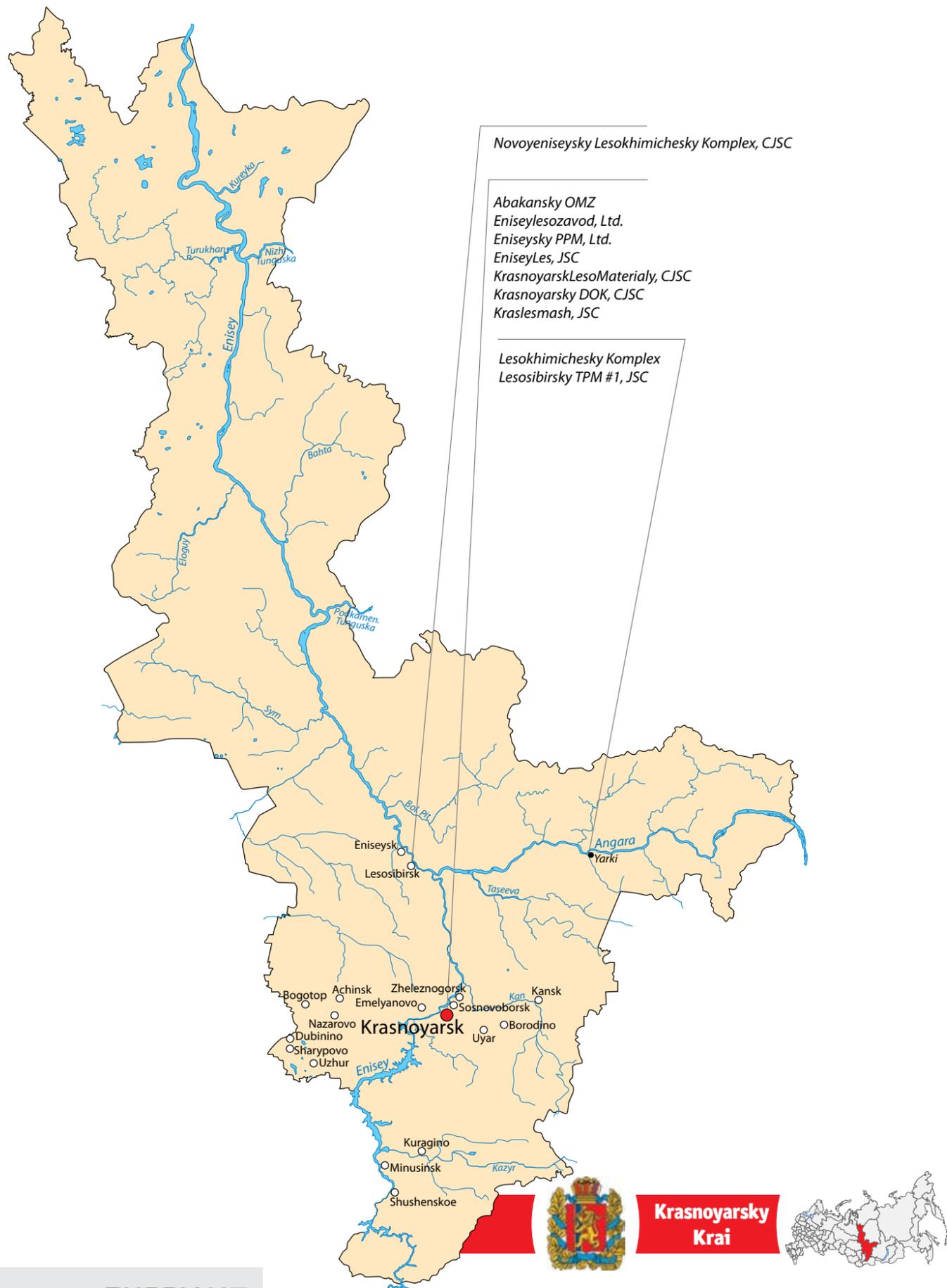
Main Enterprises of the Primorye Territory

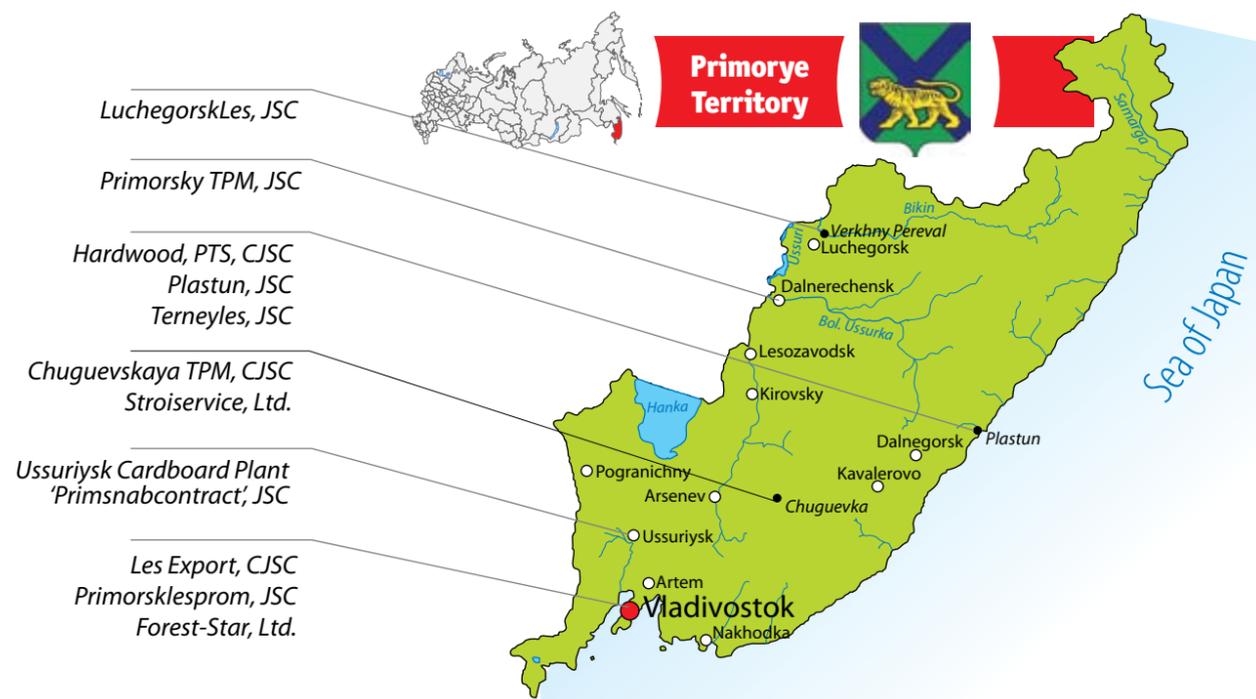
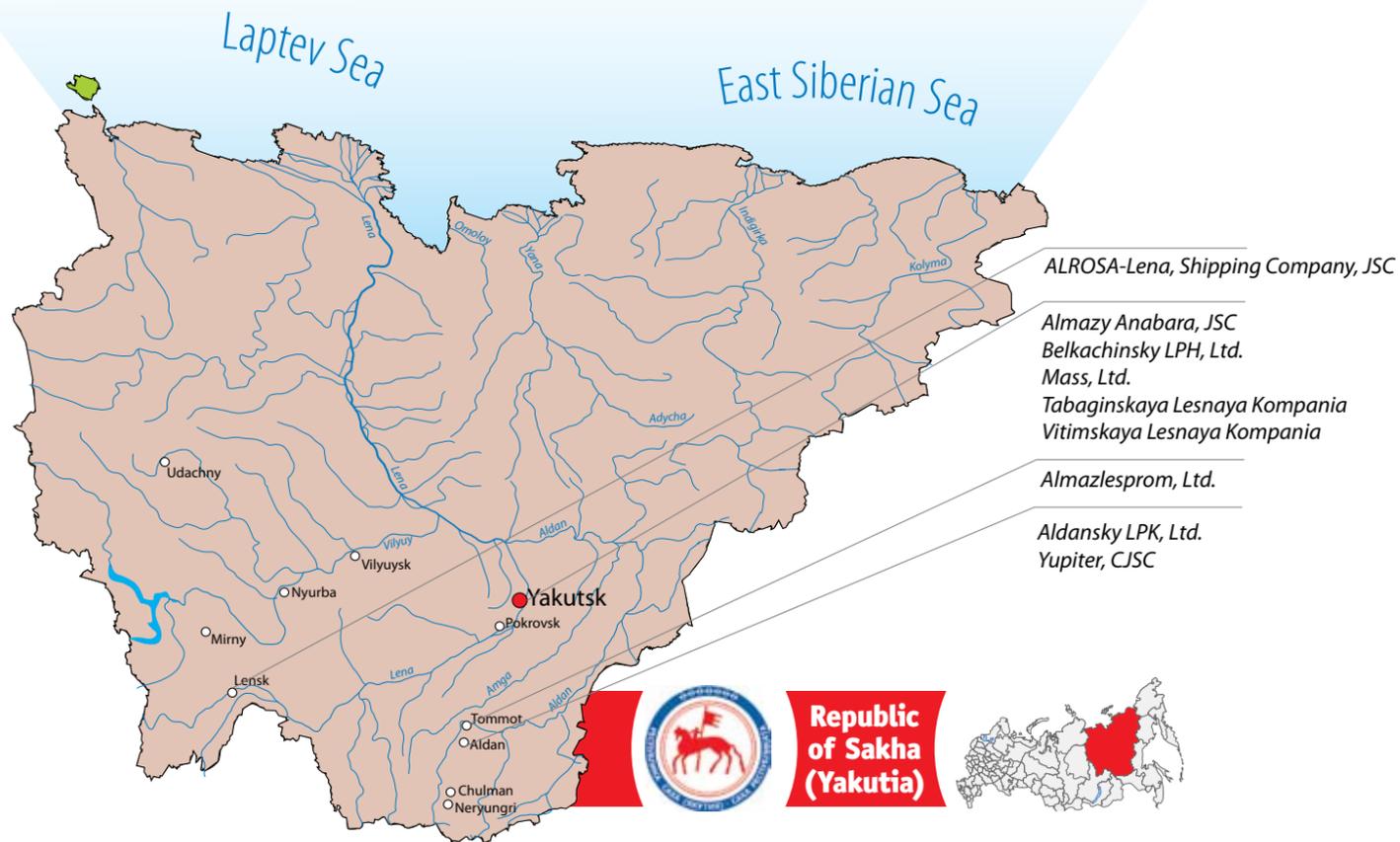
Name	Activity	Address	Contacts
Amgu, JSC	Timber logging	692162, Primorye territory, Terneisky district, Amgu village, Primorskaya St., 1	Ph.: +7 (4237) 43-81-43, 3-81-68, 3-81-43, 3-83-70, www.oao-amgu.ru
Avtey, Ltd.	Timber logging. Wood-processing	692446, Dalnegorsk, Oktyabrya Ave., 146	Ph. +7 (4237) 39-76-94, avtey2000@mail.ru
Chuguevskaya TPM, CJSC	Wood-processing. Timber logging	692623, Primorye territory, Chuguyevsky district, Chuguyevka settlement, Chapaeva St., 1A	Ph. +7 (4237) 22-32-27, CHLPK@rambler.ru, www.chlpk.com
Dalnerechenskles, Ltd.	Lumbering. Timber-processing	692132, Primorye territory, Dalnerechensk, Kalinina St., 11	Ph.:+7 (42356) 2-51-32, 2-54-42, dalnles@mail.primorye.ru
Dalnevostochny Center of Experimental Technologies, CJSC	Wooden constructions production. Millworks' manufacturing	690074, Vladivostok, Snegovaya St., 71	Ph.: +7 (4232) 44-58-49, 44-58-47, wood_vlvntc.ru
Deltaleasing, CJSC	Universal leasing company	690091, Vladivostok, Svetlanovskaya St., 665	Ph.: +7 (4232) 49-12-21, 21-57-33, prim@deltaleasing.ru, www.deltalizing.ru
Derevyanny Mir, Ltd.	Lumbering and trade	692700, Primorye territory, Nakhodka, Ugolnaja St., 59	Ph.: +7 (4236) 63-17-10
DSVK, CJSC	Woodworking. Wooden house building	690017, Vladivostok, Gerojev Tihookeantsev St., 5A	Ph.: +7 (4232) 27-06-49, 27-88-37, 27-17-20, info@dvsk.ru, www.dvsk.ru
EL, JSC	Lumbering	692900, Primorye territory, Nakhodka, Beregovaya St., 1	Ph.: +7 (4236) 64-45-47, 64-47-24, vicont_05@mail.ru

Name	Activity	Address	Contacts
Eurostandart, Ltd.	Timber-processing. Lumbering. Moldings and furniture (windows and doors) production	692178, Primorye territory, Krasnoarmeisky district, Glubinnoe settlement, Shkolnaya St., 1	Ph.: (4235) 92-61-87, 2-14-04, ipsulla_a@mail.ru
Expoles, Ltd.	Lumbering. Moldings production	690033, Vladivostok, Stoletia Vladivostoku Lane, 57	Ph.: +7 (4232) 33-28-18, 36-12-29, 40-82-93, expoles@inbox.ru
Forest-Star, Ltd.	Lumbering	690021, Vladivostok, Kalinina St., 269A	Ph. +7 (4232) 28-66-22, forest@forest_star.com
Gefest, Ltd.	Wood-processing. Timber logging	692180, Primorye territory, Krasnoarmeisk district, Roschino village, Lugovaia St., 2A	Ph.: +7 (4235) 92-38-72, 92-38-73, gefest_pb@yandex.ru, www.gefestles.ru
Hardwood PTS, CJSC	Woodworking. Wood impregnation	692152, Primorye territory, Terneisky district, Plastun settlement, PO Box 41	Ph. +7 (4237) 43-44-72, kovalchuk@pts-hardwood.ru
Imakom, Ltd.	Lumbering	692180, Primorye territory, Krasnoarmeisky district, Roshchino settlement, Shkolnaya St., 21	Ph.+7 (4235) 92-32-78, imakom@yandex.ru
Inkom, Ltd.	Lumbering	690003, Vladivostok, Verkhneportovaya St., 38, office 306	Ph. +7 (4232) 51-79-41, info@inkom.info, www.inkom.info
Kirovskles, Ltd.	Lumber and forest products manufacturing	692091, Primorye territory, Kirovsky district, Kirovsky settlement, Kolkhoznaya St., 14	Ph. +7 (4235) 42-14-66, kir_les_s@mail.primorye.ru
Les Export, CJSC	Roundwood sawing. Lumbering. Antiseptic wood-processing	690000, Vladivostok, Partizansky Ave., 44	Ph. +7 (4232) 42-49-95, info@lesexport.com, lesexport.com
Luchegorskles, JSC	Timber logging. Timber-processing	692030, Primorye territory, Pozharsky district, Verkhny Pereval	Ph. +7 (4235) 72-21-41
Melnichnoye, JSC	Timber logging. Lumbering. Freight traffic activity	692186, Primorye territory, Krasnoarmeisky district, Melnichnoye settlement	Ph.: +7 (4237) 43-36-30, 3-66-21, melnichnoe.lec@mail.ru, www.terneyles.ru
Olgales, JSC	Timber logging	692461, Primorye territory, Olginsky district, Olga settlement, Morskaya St., 15	Ph.: +7 (4237) 69-11-21, 9-14-22, olgales@inbox.ru
Olimp Plus, Ltd.	Lumbering	690001, Vladivostok, Komsomolskaya St., 1	Ph.: +7 (4232) 38-86-08, 44-66-30, olimp_zavod@mail.ru
Pavlenko A.P., Private Entrepreneur	Lumbering	692390, Arsenyev, Malinovaya St., 1	Ph.: +7 (4236) 13-63-27, 3-63-28, Pavlap@mail.primorye.ru
Plastun, JSC	Lumbering	692152, Primorye territory, Terneisky district, Plastun settlement	Ph.: +7 (4237) 43-45-44, 43-48-06, www.terneyles.ru
Primf-Les, Ltd.	Lumbering	692751, Primorye territory, Artyom, Kirova St., 189	Ph.: +7 (4233) 79-84-84, 74-80-99, primf@mail.ru, info@primf.com, www.primf.com
Primorsklesprom, JSC	Timber logging and processing. Furniture production. Wooden construction	690091, Vladivostok, Sukhanova St., 3	Ph. +7 (4232) 43-35-72, plpvvo@mail.primorye.ru
Primorsky Gorno-Obogatitelnyy Kombinat, JSC	Timber logging	692183, Primorye territory, Krasnoarmeisky district, Vostok settlement, Naberezhnaya St., 3	Ph.: +7 (4235) 92-71-45, 92-74-38, 92-74-55, 92-74-51, jscair@mail.primorye.ru
Primorsky TPM, JSC	Wood-processing. Lumbering	692100, Primorye territory, Dalnerechensk, Shevchenko St., 186Г, office 76	Ph.: +7 (4235) 62-50-43, 62-21-28, primordok@mail.primorye.ru
Primtorginvest, Ltd.	Timber logging and lumbering	690001, Vladivostok, Dalzavodskaya St., 21, office 2	Ph.: +7 (4232) 49-90-23, 26-58-79, ptic@list.ru
Prisko Forest, Ltd.	Timber-processing	692900, Primorye territory, Nakhodka, Tretya Promyshlennaya St., 9	Ph. +7 (4236) 64-43-79, chiv@forest.nakhodka.ru
Sibir-Vostok, Ltd.	Lumbering	692771, Primorye territory, Artyom, Uglovoye settlement, Sahalinskaya St., 11	Ph.: +7 (4233) 74-41-45, 77-58-54
Sprey, Ltd.	Wood-sawing. Woodworking	692135, Dalnerechensk, Lenina St., 55	Ph. +7 (4235) 62-39-88, spreewood@mail.ru
Stroiservice, Ltd.	Timber logging. Woodworking. Wooden construction	692623, Primorye territory, Chuguyevsky district, Chuguyevka settlement, Svetlaya St., 1	Ph. +7 (4237) 22-15-51, servisww@mail.primorye.ru
STS Technowood, CJSC	Wood-processing. Glued lumber production	692152, Primorye territory, Terneisky district, Plastun settlement	Ph.: +7 (4237) 43-47-26, 43-49-19, 43-40-33, www.terneyles.ru
Terneyles, JSC	Timber logging. Wood-processing. Wooden construction	692152, Primorye territory, Terneisky district, Plastun settlement	Ph.: +7 (4237) 43-31-28, 43-46-10, 43-49-08, company@terneyles.ru, www.terneyles.ru
Ussuriysk Cardboard Plant, 'Primsnabcontract', JSC	Pulp-and-paper and wood-chemical industry	692527, Primorye territory, Ussuriysk, Rakovskoye Highway, 1	Ph.: +7 (4234) 36-01-50, 36-02-38, 36-56-43, 36-30-21, ukk@mail.primorue.ru
Woodplus, Ltd.	Timber logging. Wood-processing	692031, Primorye territory, Lesozavodsk, Kirova St., 1	Ph. +7 (4235) 52-47-61, wood@dmt.su, voodplus@mail.ru, www.woodplus.ru
Yappi, Ltd.	Lumbering. Timber logging	692180, Primorye territory, Krasnoarmeiski district, Roschino village, Zavitaya St., 24	Ph. +7 (4235) 92-33-61, yappi.06@mail.ru

LOCALIZATION OF MAJOR TIMBER-PROCESSING COMPANIES IN THE FOREST REGIONS OF SIBERIA AND FAR EAST







- Amur DOK, JSC
- De-Kastriles, JSC
- Arkaim SP, Ltd.
Business-Marketing, Ltd.
Dallesprom, JSC
Dallestroy, JSC
Flora, CJSC
Rimbunan-Khidzhau International, Ltd.
- Vanino-Tajriku, Ltd.



Main Enterprises of the Logging Industry

Name	Activity	Address	Contacts
Almazlesprom, Ltd.	Lumbering. Timber-processing	678954, Republic of Sakha, Aldansky district, Tommot, Sinegorye settlement	Ph. +7 (4114) 54-18-68, Fax +7 (4114) 54-12-86
Almazy Anabara, JSC	Timber logging. Timber-processing. Lumbering	677000, Republic of Sakha, Yakutsk, Chernyshevskogo St., 6	Ph.: +7 (4112) 42-01-02, 45-01-00, 44-16-06, 44-11-42, office@alanab.ru, www.alanab.ykt.ru
ALROSA-Lena, Shipping Company, JSC	Timber logging. Timber-processing	678144, Republic of Sakha, Lensk, Naberezhnaya St., 59	Ph. +7 (4113) 74-65-38, Fax +7 (4113) 74-65-34
Amursky DOK, JSC	Timber logging. Lumbering. Chipboard manufacturing	682640, Khabarovsk region, Amursky district, Amursk, Zapadnoye highway, 55	Ph. +7 (4214) 22-84-50
Apsheronskaya lumbering company, CJSC	Wood logging, sawn timber, parquet flooring, floor molding, structural beam, coalesced board	352678, Krasnodar region, Chernigovskoye settlement, Komsomolskaya St., 1	Ph. +7 (861 52) 34-145
Arkhangelsky Forestry Plant, Ltd.	Timber harvesting	453030, Bashkortostan republic, Arkhangelsky district, Arkhangelskoye settlement, Sovetskaya St., 65	Ph. +7 (34774) 2-12-85
Avzyansky Logging Enterprise, JSC	Timber harvesting	453524, Bashkortostan republic, Beloretsky district, Verkhny Avzyan settlement, Lenina St., 1	Ph.: +7 (90234) 5-08-68, 7-72-61, 7-72-13, 7-73-06
Azimut, Ltd.	Timber harvesting	216200, Smolensk region, Dukhovschina, Smolenskaya St., 100	Ph. +7 (48166) 4-24-54, www.smolazimut.ru
Badinsky Kompleksny Lespromkhoz, JSC	Timber logging. Lumbering	665740, Irkutsk region, Bratsky district, Pokosnoye settlement, Sibirskaya St., 18	Ph. +7 (3953) 40-26-32
Baikalskaya Lesnaya Kompania, JSC	Timber logging. Timber-processing. Lumbering	670013, Republic of Buryatia, Ulan-Ude, Kluchevskaya St., 21	Ph. +7 (3012) 43-10-40, Fax +7 (3012) 37-46-33
Bashlesprom LHK, JSC	Forestry, timber harvesting. Sawn timber production. Woodworking: plywood, chipboard and fiberboard production	450026, Ufa, Ufimskoye highway, 4	Ph.: +7 (3472) 31-35-50, 66-30-19, 31-29-94, 31-29-86
Beloozerskoye, JSC	Timber harvesting	391300, Ryazan region, Kasimov, Lenina St., 125	Ph.+7 (49131) 2-06-73
Beloretsky Lespromkhoz, JSC	Timber harvesting. Wood sawing	453500, Bashkortostan republic, Beloretsk, Krupskoy St., 10	Ph.: +7 (34792) 2-24-75, 4-17-10, 4-26-03
Belozersky LPH, JSC	Timber logging. Wood sawing. Round wood log houses' production	161200, Vologda region, Belozersk, Tretia Internatsionalnaya St., 2	Ph.: +7 (8175) 62-26-44, 62-11-45, Fax +7 (8175) 62-14-08
Berezovsky wood-processing plant, CJSC	Lumbering, wood-processing – round sawn timber, plank, joinery	628259, KhMAO – Yugra, Sovetsky district, Taehzny settlement, Mira St., 4,	Ph.: +7 (34675) 44-898, 44-805
Bratsklesstroy, CJSC	Lumbering. Chipboard, fiberboard, plywood, and match production	665708, Irkutsk region, Bratsk, Yuzhnaya St., 18A	Ph.: +7 (3953) 43-53-86, 43-53-86, 43-92-26
Cherepovetsles, LHK, JSC	Timber logging. Wood sawing. Coniferous and hardwood lumber production	162602, Vologda region, Cherepovets, Lenina St., 80	Ph. +7 (8202) 22-12-30, Fax +7 (8202) 51-84-53, info@cherles.ru, www.cherles.com
Chuguevskaya LPK, CJSC	Timber logging. Timber-processing	692180, Primorye territory, Chuguevka village, Chapaeva St., 1A	Ph. +7 (4237) 22-32-27, chlpk@rambler.ru, www.chlpk.com
Chunales, Ltd.	Timber logging. Lumbering. Wooden wool, wooden powder and wooden chips manufacturing	665514, Irkutsk region, Chunsky district, Chunsky settlement, Severny micro-district	Ph. +7 (3956) 72-04-16
Continental Management Timber Industrial Company, Ltd.	Timber logging. Wood-processing. Pulp-and-paper industry. Wood chemistry	127051, Moscow, Malaya Sukharevskaya Sq., 12	Ph. +7 (495)771-71-80, Fax +7 (495) 771-71-82, info@lpkkm.ru, DispSuch@lpkkm.ru, www.lpkkm.ru
Dallesprom, Ltd.	Timber logging and transportation	692446, Primorye territory, Dalnegorsk, 50 let Oktyabrya St., 89	Ph. +7 (4237) 32-38-37, Fax +7 (4237) 32-38-37, dlp@mail.primorye.ru
Dallesstroy, JSC	Timber logging. Lumbering. Plywood, chipboard, fiberboard and matches' production	680030, Khabarovsk, Fabrichny Lane, 2	Ph.: +7 (4212) 21-61-66, 21-95-58, 21-71-70, 21-46-03
Dvinsky Lespromhoz, JSC	Timber logging	164558, Arkhangelsk Region, Kholmogorsky district, Dvinskoi settlement, Komsomolskaya St., 7	Ph. +7 (81830) 2-40-18
Evrolesprom, Ltd.	Timber logging	185005, Petrozavodsk, Gyullinga embankment, 11	Ph. +7 (8142) 57-17-05, elp@karelia.ru

Name	Activity	Address	Contacts
Exportles, JSC	Timber logging. Export of round wood, sawn materials and pulp-and-paper products	117881, Moscow, V-292, GSP, Ivana Babushkina St., 16	Ph.: +7 (495) 772-97-32, 207-92-88, 207-97-34, Fax: +7 (495) 772-97-32, 728-40-50
Galichles, Ltd.	Timber logging. Coniferous and hardwood lumber production	157200, Kostroma region, Galich, Gora Yamskaya St., 4	Ph.: +7 (4943) 72-11-54, 72-11-52, galichles@pochta.ru
Gatchinskaya Lesnaya Gruppy, Ltd.	Timber logging. Wood sawing	188350, Leningrad Region, Gatchina, Promzona-1, micro-district 6	Ph.: +7 (8137) 19-00-71, 19-02-14, mail@gfg.ru, gfg_@mail.ru
Gusevsky Logging Enterprise, JSC	Timber harvesting	601501, Vladimir region, Gus Khrustalny, Maiakovskogo St., 22	Ph.: +7 (49241) 2-87-20, 2-85-45, 2-87-62
Igirma-Tairiku, SP, Ltd.	Timber logging. Wood sawing. Production of lumber from pine, larch. Technological wood chips' manufacturing	665685, Irkutsk region, Nizhneilimsky district, Novaya Igirma settlement, Vostochnaya St., 2/9	Ph.: +7 (3952) 26-09-55, 25-68-50, 26-09-90, post@igt.irtel.ru, www.igt.irtel.ru
Ilim Group	Timber logging. Pulp-and-paper industry	191025, St. Petersburg, Marata St., 17	Ph. +7 (812) 718-60-50, Fax +7(812) 718-60-06, office@ilimgroup.ru, www.ilimgroup.com
Ilim Timber Industry, Holding, Ltd.	Timber logging. Timber-processing	197022, St. Peterburg, Aptekarskaya embankment, 20, lit.A	Ph.: +7 (812) 332-26-84, 718-63-18, www.ilimtimber.com
Investlesprom, CJSC	Timber harvesting. Wood sawing. Woodworking: chipboard, fiberboard, construction plywood. Wooden construction. Pulp-and-paper industry	119180, Moscow, Brodnikov Lane, 4	Ph. +7 (495) 500-30-51, www.investlesprom.ru
Karellesprom, LHK, JSC	Timber logging	185670, Petrozavodsk, Andropova St., 2/24	Ph. +7 (8142) 76-80-40, Fax +7 (8142) 76-80-50, swles@lesprom.karelia.ru
Karsikko-Tyumen, Ltd.	Timber logging. Wood-processing. Bio fuel pellets' production	625056, Tyumen, Proezd Voroninskie gorki St., 101	Ph.: +7 (3452) 23-99-99, 23-88-72, tyumen@karsikko.ru, www.karsikko.ru
Khakasles, JSC	Timber logging. Wood sawing. Lumbering. Timber-processing.	655600, Republic of Khakassia, Sayanogorsk, Industrilnaya St., 35	Ph. +7 (3904) 27-64-44, truyfmegapolis@yandex.ru
Kipelovo, TI Concern, JSC	Timber logging	160035, Vologda, Kozlyonskaya St., 42, office 501	Ph.: +7 (8172) 72-48-20, 72-02-54, Fax +7 (8172) 72-37-35, kipelovo@kfe.vologda.ru
Kirishi Lesprom, Ltd.	Timber logging	187110, Leningrad region, Kirishi, Pobedy Ave., 40/45, apartment 303	Ph.: +7 (812) 346-29-34, +7 (8136) 85-27-88, klp@nm.ru
Kirovskles, Ltd.	Timber logging	187342, Leningrad region, Kirovsk, Novaya St., 5	Ph. +7 (8136) 22-94-40
Koda Les Regional Timber Company, Ltd.	Lumbering, wood-processing: round timber and sawn timber	628011, KhMAO – Yugra, Khanty-Mansi, Komsomolskaya St., 30	Ph. +7 (3467) 35-51-46, Fax (3467) 33-13-61, office@kodales.ru, www.kodales.ru
Komsomolsky Timber-Processing Enterprise, JSC	Timber harvesting	155150, Ivanovo region, Komsomolsk, Chaikovskogo St., 14	Ph.: +7 (49352) 2-24-92, 2-19-41
Kovrovsky Logging Enterprise, JSC	Timber harvesting	601907, Vladimir region, Kovrov, Dobrolyubova St., 2	Ph.: +7 (49232) 2-48-44, 2-48-18
Kumales, CJSC	Lumbering, wood-processing: round timber and sawn timber	628205, KhMAO – Yugra, Kondinsky district, settlement Kuminsky, Pochtovaya St., 51	Ph.: +7 (34677) 39-148, 39-126
Lenaexportles, CJSC	Timber logging	665780, Irkutsk region, Ust-Kutul, Zarechnaya St., Prombaza	Ph. +7 (3956) 56-13-01
Les Export, JSC	Timber logging. Woodworking	690000, Vladivostok, Partizansky Ave., 44	Ph. +7 (4232) 42-49-95, info@lesexport.com, www.lesexport.com
Lesagrostroy, CJSC	Wood logging, wood sawing and woodworking	352121, Krasnodar region, Tikhoretsk, Volgogradskaya St., 4	Ph.: +7 (918) 200-07-30, +7 (961) 587-20-11, terminal_4@mail.ru
Lesnoye Prichulymye, JSC	Timber logging. Pine, birch, aspen, cedar, Siberian fir lumbering. Export of forest products	636942, Tomsk region, Pervomaisky district, Komsomolsk settlement, Zheleznodorognaya St., 40	Ph.: +7 (3824) 54-21-42, 54-21-10, 26-55-49, les_ksk@rambler.ru, www.lesomir.ru
Lesviko	Timber harvesting. Sawn timber production	127591, Moscow, Dubninskaya St., 79, office 46	Ph. +7 (495) 484-36-74, info@lesviko.ru, www.lesviko.ru
Luzhsky Timber-Processing Plant, JSC	Timber harvesting. Wood sawing. Woodworking. Furniture production from solid wood	613982, Kirov region, Luza, Truda Sq., 1	Ph.: +7 (83346) 1-11-06, 2-21-11, 1-10-30, llpk@pila.kirov.ru
LVL-Yugra, JSC	Lumbering and wood-processing: glued veneer sheets (LVL)	628183, Yugra – KhMAO, Nyagan, Lazareva St., 28	Ph.: +7 (34672) 51-209, 52-169, 51-238, lvl-ugra@nuagan.ru
Lyubimsky Timber Plant, JSC	Timber harvesting	152470, Yaroslav region, Lyubim, Raievskogo St., 11/39	Ph.: +7 (48543) 2-10-39, 2-12-39, 2-20-39, 2-15-39, 2-10-39
Maiskles, JSC	Timber logging. Lumber production. Forest products' export	613750, Kirov region, Murashinsky district, Bezbozhnik, Pochtovaya St., 23	Ph.: +7 (8334) 82-28-55, 82-21-57, Fax +7 (8334) 82-28-35
Malinovskiy sawmill, CJSC	Lumbering, removal of logs, sawn timber	628248, KhMAO – Yugra, Sovetsky district, Alyabyevsky settlement, Tomyakina st., 8	Ph.: +7 (346-75) 39-500, 40-444



Name	Activity	Address	Contacts
Maxatikhinsky Timber-Processing Plant, PK	Timber harvesting	171900, Tver region, Maxatikha settlement, Imeni Novogo St., 71	Ph.: +7 (48253) 2-11-34, 2-23-90, info@mlpk.ru, www.mlpk.ru
Melenkovsky Logging Enterprise, JSC	Timber harvesting	602101, Vladimir region, Melenkovsky district, Melenki, Zavokzalnaya St., 10	Ph.: +7 (4947) 2-38-20, 2-50-51
Minnesko-Novosibirsk, CJSC	Timber logging. Wood sawing. Woodworking. Export	630055, Novosibirsk, Musy Jhalilya St., 13	Ph.: +7 (383) 316-56-44, 336-05-85, Fax: +7 (383) 333-30-16, 330-35-33, msu@msu-group.com, www.msu-group.com
Morozovsky Timber-Processing Enterprise, JSC	Timber harvesting	155035, Ivanovo region, Taikovsky district, Morozovo settlement, Pervaya Polevaya St., 1A	Ph.: +7 (49343) 3-26-22, 3-26-16, morozovoles@mail.ru, www.morozovoles.ru
Partner-Omsk, CJSC	Lumbering. Wood sawing. Woodworking. Board production	644046, Omsk, Pushkina St., 133	Ph.: +7 (3812) 30-63-90, 51-14-78, sekretar@partner-omsk.ru, www.partner-omsk.ru
Permsky Logging Enterprise, CJSC	Timber harvesting	614000, Perm, Gorkogo St., 28	Ph.: +7 (342-2) 12-43-07, 12-49-40, 12-73-62
Pinezhyeles, Ltd.	Timber logging	164610, Arkhangelsk region, Pinezhsky district, Pinega settlement, Pervomaiskaya St., 38	Ph. +7 (8185) 64-23-32, Fax (8185) 64-23-37, pineles@mail.ru
Poleko LPK, Ltd.	Timber harvesting. Woodworking: fiberboard production	613911, Kirov region, Podosinovsky district, Demianovo settlement, Stroitel'naya St., 30	Ph. +7 (83351) 2-13-90, www.wood-way.ru
Prikamles, CJSC	Timber harvesting. Wood sawing. Woodworking: wooden construction materials production	614068, Perm, Pushkina St., 113	Ph.: +7 (3422) 44-74-52, 44-71-20, 19-48-85
Primorsklesprom, JSC	Timber logging and woodworking. Wooden constructions. Forest products sale	690091, Vladivostok, Sukhanova St., 3	Ph. +7 (4232) 43-35-72, plpvvo@mail.primorye.ru
Primorsky Lesokombinat, JSC	Timber logging. Wood sawing. Timber-processing	692132, Primorye territory, Dalnerechensk, Tarasa Shevchenko St., 1	Ph.: +7 (4235) 62-50-43, 62-21-28, primordok@mail.primorye.ru
Rassvet, OJSC	Lumbering, production of sawn timber	352690, Krasnodar region, Apsheronsk, Fabrichnaya St., 2	Ph.: +7 (86152) 2-02-89, 2-12-65, Fax: +7 (86152) 2-02-89, rassvet@apsheronsk.ru, www.rassvet.apsheronsk.ru
Rezhovsky leskhoz, OGU	Timber logging	623750, Sverdlovsk region, Rezh, P. Morozova St., 62	Ph.: +7 (34364) 2-17-76, 2-22-71, 2-21-41
Rimbunan-Khidjahu International, Ltd.	Timber logging	680000, Khabarovsk, Dzerzhinskogo St., 4	Ph.: +7 (4212) 74-96-61, 74-96-63
Ruslesgroup, Ltd.	Timber logging. Lumbering. Woodworking	125009, Moscow, Voznesensky Lane, 11, building 1	Ph. +7 (495) 988-30-76, office@rusles.ru, www.rusles.ru
Samzassky sawmill, CJSC	Lumbering, removal of logs. Wood sawing	628256, KhMAO – Yugra, Sovetsky district, Kommunistichesky settlement, 23	Ph.: +7 (34675) 46-555, 46-283
Sergeevsky Lespromkhoz, JSC	Timber logging. Woodworking	692887, Krasnoyarsky Krai, Partizansky district, Sergeevka village, Vtoraya Rabochaya St., 10B	Ph. +7 (4236) 52-75-38, slph@list.ru
Shalakushales, JSC	Timber logging	164210, Arkhangelsk region, Nyandomsky district, Shalakusha settlement, Oktyabrskaya St., 4	Ph. +7 (8183) 83-11-21, Fax (8183) 83-11-27, aoshal@atnet.ru
Siberian lumbering company, CJSC	Lumbering, timber barking	628248, KhMAO – Yugra, Sovetsky district, settlement Alyabyevsky, Novosyolov St., 5A	Ph.: +7 (34675) 39-670, 43-483, siblk@bk.ru
Sibinkom	Timber logging. Roundwood timber-processing. Lumbering	634000, Tomsk, Pushkina St., 61	Ph.: +7 (3822) 23-00-20, 58-60-70, sibinkom@inbox.ru, www.sibinkom.ru
Sivinsky Logging Enterprise, JSC	Timber harvesting	617240, Perm region, Sivinsky district, Siva settlement, Gagarina St., 33	Ph.: +7 (34277) 2-11-34, 2-11-72, 2-15-66, 2-11-32
Sobinsky Timber Plant, JSC	Timber logging. Wood sawing	601200, Vladimir region, Sobinka, Lenina St., 109	Ph.: +7 (492-42) 2-17-76, 2-23-41
Solikamskumprom, JSC	Timber harvesting. Pulp-and-paper	618548, Perm region, Solikamsk, Kommunisticheskaya St., 21	Ph.: +7 (34253) 4-79-77, 6-44-48, Fax +7 (34253) 4-81-30, 4-74-33, www.solbum.ru
Solombalales, Managing Company, JSC	Timber logging. Woodworking. Pulp-and-paper	163059, Arkhangelsk, Kirovskaya St., 4	Ph.: +7 (8182) 67-96-70, 67-96-00, ivan.borodin@soles.ru, www.solombala.com
Stroylesprom, CJSC	Woodworking and lumbering industry	352571, Krasnodar region, Mostovsky settlement., Stroitel'naya St., 4	Ph.: +7 (861-92) 5-31-91, 5-46-63, stroifortuna@mail.ru
Surgutmebel, CJSC	Lumbering, wood-processing, door sets and sash pulleys, modular buildings, carriage-houses, molded strips, furniture	628450, KhMAO – Yugra, Surgutsky district, settlement Borisovo	Ph. +7 (3462) 41-30-70, sells@surgutmebel.ru
Sverdlovsky leskhoz, GU	Lumbering	624030, Sverdlovsk region, Beloyarsky settlement, Kluchevkaya St., 14	Ph.: +7 (343-77) 2-12-45, 2-19-90

Name	Activity	Address	Contacts
Sveza, JSC	Timber logging. Wood-processing. Plywood and particleboard production	143441, Moscow region, Krasnogorsky district, Putilkovo settlement, 69 km of MKAD, building 17, apartment 3/1	Ph. +7 (495) 783-00-35, Fax +7 (495) 783-00-34, info@sveza.com, www.sveza.ru
Terneyles, JSC	Timber logging. Wooden construction. Woodworking. Lumbering	692152, Primorye territory, Terneisky district, Plastun settlement	Ph.: +7 (4237) 43-31-28, 43-46-10, 43-49-08, company@terneyles.ru, www.terneyles.ru
Titan, Group of companies	Timber logging. Woodworking	163000, Arkhangelsk, Pomorskaya St., 7	Ph.: +7 (8182) 21-43-90, 46-24-92, 21-44-12, 46-24-85, Fax +7 (8182) 20-58-31, office@titans.su, www.titangroup.ru
Torsky sawmill, CJSC	Lumbering, removal of logs, sawn timber	628246, KhMAO – Yugra, Sovetsky district, settlement Agirish, Sportivnaya Str, 18	Ph. +7 (34675) 41-876
Transles, Ltd.	Timber logging. Woodworking. Coniferous, birch, aspen balances and plank timber production	188560, Leningrad region, Slantsevsky district, Gostitsy settlement, 'Sto Ferm' building	Ph.: +7 (911) 752-43-33, Fax: +7 (8137) 43-61-72, www.translesspb.narod.ru
Turtas, Ltd.	Timber logging	626191, Tyumen Region, Uvatsky district, Turtas settlement, Lenina St., 27	Ph.: +7 (3456) 12-55-47, turtaspriem@mail.ru, www.turtas-les.ru
Vatan, CJSC	Woodworking and wood logging	353590, Krasnodar region, Mostovsky district, Uzlovoi settlement, industrial zone	Ph.: +7 (86192) 6-64-30, Cell. Ph. +7 (928) 660-91-73
Velskoye Lesoperevalochnoie predpriyatie, JSC	Timber logging	165151, Arkhangelsk region, Velsk-1, Vaga station, low store	Ph. +7 (8183) 66-28-01, Fax +7 (8183) 62-56-33, lesobaza@atnet.ru
Vereisky Lesokombinat, Ltd.	Timber logging. Woodworking	143330, Moscow region, Naro-Fominsky district, Vereya, Kaluzhskaya st., 48A	Ph.: +7 (4963) 46-70-25, mail@goodles.ru, www.goodles.ru
Verkhnekamskles, JSC	Timber harvesting. Wood sawing	612820, Kirov region, Verkhnekamsky district, Kirs, Oktyabrskaya St., 1	Ph.: +7 (83339) 2-33-36, 2-31-46
Verkhneketsky LPK, JSC	Lumbering. Wood sawing. Antiseptic wood-processing. Woodworking. Railway transportation and custom services. Forest products' sales	636500, Tomsk region, Verkhneketsky district, Bely Yar settlement, Tayezhnaya St., 1Д	Ph.: +7 (3822) 26-58-90, 26-55-49, forestgroup@mail.ru, www.vlpk.tomsk.ru
Vetluzhsky lespromkhoz, JSC	Timber harvesting	606860, Nizhegorodsky region, Vetluga, Gorkogo St., 44	Ph.: +7 (83150) 2-13-41, 2-15-98
Vologdalesprom Corporation, JSC	Timber logging. Wood-processing: round wood, sawn timber, wood-pellets	160000, Vologda, Lermontova St., 15	Ph. +7 (8172) 72-89-01, Fax +7 (8172) 72-51-07, vkles@vologda.ru, www.vologdalesprom.ru
Vologodskiye Lesopromyshlenniki, CJSC	Timber logging. Woodworking	160004, Vologda, Blagoveshchenskaya St., 47	Ph.: +7 (8172) 72-88-18, info@volwood.ru, www.volwood.ru
Vokolamsky Forestry Plant, JSC	Timber harvesting	143600, Moscow region, Vokolamsk, Sadova St., 10	Ph.: +7 (49636) 2-38-23, 2-13-81
Volosovsky Lespromhoz, CJSC	Timber logging	188410, Leningrad region, Volosovo, Khrustitskogo St., 78	Ph.: +7 (8137) 32-33-81, 32-24-18
Vyatles, JSC	Timber harvesting	612600, Kirov region, Kotelnich, Svobody St., 6	Ph. +7 (83342) 4-14-53
Vyksales, JSC	Timber harvesting. Wood sawing. Wooden construction	607060, Nizhegorodsky region, Vyksa, Slepnyova St., 13	Ph.: +7 (83177) 3-18-45, 3-08-44, 3-08-77, 3-46-45, 3-12-27
Wood sawing plants of Yugra, CJSC	Lumbering, removal of logs. Wood sawing. Export plank	628242, KhMAO – Yugra, Sovetsky, Lenina St., 47	Ph.: +7 (346-75) 38-090, 38-064, 38-066, lzu@bk.ru
Zapkarelles, CJSC	Timber logging. Timber-processing	186870, Republic of Karelia, Suoyarvi, Gagarina St., 28	Ph.: +7 (8145) 75-13-51, (8145) 75-13-14, Fax +7 (8145) 75-12-65, post@zapkarelles.ru, www.zapkarelles.ru
Zeisky LPK, JSC	Timber logging. Lumbering	676246, Amursky region, Zeya, Zapadny Lane, 9	Ph. +7 (4165) 82-43-41
Zelenoborsky sawmill, CJSC	Lumbering, removal of logs. Wood sawing	628248, KhMAO – Yugra, Sovetsky district, Zelenoborsky settlement, Politekhnicheskaya St., 17	Ph.: +7 (346-75) 47-154, 41-155



Main Enterprises of the Woodworking Industry

Name	Activity	Address	Contacts
78 DOK NM, CJSC	Woodworking	603124, Nizhny Novgorod, Vtorchermeta St., 7	Ph.: +7 (8312) 57-88-25, 24-76-52, 57-88-27, Fax +7 (8312) 24-04-36
Abakansky DOK, JSC	Woodworking. Production of joinery items and wooden tare	662618, Abakan, Gavan St., 1B	Ph. +7 (3902) 24-00-90
Akvaes Group	Woodworking and furniture industry	111524, Moscow, Elektrodnyaya St., 2, building 13, office 502A	Ph.: +7 (495) 540-80-80, 926-80-80
Almazsprom, Ltd.	Lumbering. Timber-processing	678954, Republic of Sakha, Aldansky district, Tommot, Sinegorye settlement	Ph. +7 (4114) 54-18-68, Fax +7 (4114) 54-12-86
ALROSA-Lena, Shipping Company, JSC	Timber logging. Timber-processing	678144, Republic of Sakha, Lensk, Naberezhnaya St., 59	Ph. +7 (4113) 74-65-38, Fax +7 (4113) 74-65-34
Altai-Forest, Ltd.	Wood sawing. Production of sawn timber, particle boards and molded items	658000, Altai, Talmensky district, Larichikha settlement, Talmenskaya St., 13	Ph.: +7 (38591) 3-22-53, 3-22-41, 2-22-34, alforest2007@yandex.ru, www.altaiforest.ru
Apsheonskaya Lumbering company, CJSC	Timber logging, sawn timber, parquet flooring, floor molding, structural beam, coalesced board	352678, Krasnodar region, Chernigovskoye settlement, Komsomolskaya St., 1	Ph. +7 (86152) 34-145
Ardis, Ltd.	Woodworking. Lumbering. Glued beams production. Wooden construction	115114, Moscow region, Stupino, Metallistov St., 11	Ph. +7 (495) 589-10-19, ardis2005@mail.ru, www.ardis.ru
Arsky Plant of Construction Materials	Woodworking and furniture industry	422010, Tatarstan republic, Arsk, Agronomicheskaya St., 42	Ph. +7 (84366) 2-21-79
Art-les, CJSC	Woodworking industry, production of plank and molded strip. Wood-cutting	623780, Sverdlovsk region, Artyomovskiy, Prilepskogo St., 2A	Ph.: +7 (343) 372-25-02, 632-70-62, art-les@mail.ru, www.art-les.ru
AVA Company, CJSC 	Woodworking	644073, Omsk, Vtoraya Solnechnaya St., 57	Ph.: +7 (3812) 39-49-59, 72-00-65, info@ava-company.com, www.ava-company.com
Avangard, CJSC	Furniture production: own woodworking mill, wood decorated furniture	141070, Moscow region, Korolyov, Kaliningradskaya St., 12	Ph.: (495) 513-17-08, 513-18-56, info@avangard.biz, www.avangard.biz
Baikalskaya Lesnaya Kompania, JSC	Timber logging. Timber-processing. Lumbering	670013, Republic of Buryatia, Ulan-Ude, Kluchevskaya St., 21	Ph. +7 (3012) 43-10-40, Fax +7 (3012) 37-46-33
DOZ Balashikhinsky, JSC	Lumber (sawn timber, fiberboard, chipboard, plywood and matches)	143900, Moscow region, Balashikha, Sovetskaya St., 35	Ph. +7 (495) 529-22-52
Balatovsky TPM, Ltd.	Woodworking	614990, Perm, Ryazanskaya St., 105	Ph. +7 (3422) 26-02-18, td-doz@list.ru, www.td-doz.perm.ru
Bashlesprom LHK, JSC	Forestry, timber harvesting. Sawn timber production. Woodworking: plywood, chipboard and fiberboard production	450026, Ufa, Ufimskoye highway, 4	Ph.: +7 (3472) 31-35-50, 66-30-19, 31-29-94, 31-29-86
Beketovsky DOZ	Woodworking industry	400067, Volgograd, Nikitina St., 4	Ph. +7 (8442) 42-04-16
Belsky DOK, JSC	Woodworking industry. Wooden construction	450112, Ufa, Voikova St., 1	Ph.: +7 (3472) 42-52-17, 42-32-15
Belezinsky DOK, Ltd.	Woodworking: plywood production. Wooden construction	427551, Udmurt republic, Balezino settlement, Shkolnaya St., 1	Ph.: +7 (34166) 2-27-49, 2-17-78, 2-26-40, balez@zpic.ru
Beloretsky Lespromkhoz, JSC	Timber harvesting. Wood sawing	453500, Bashkortostan republic, Beloretsk, Krupskoy St., 10	Ph.: +7 (34792) 2-24-75, 4-17-10, 4-26-03
Belozersky LPH, JSC	Timber logging. Wood sawing. Round wood log houses' production	161200, Vologda region, Belozersk, Tretia Internatsionalnaya St., 2	Ph.: +7 (8175) 62-26-44, 62-11-45, Fax +7 (8175) 62-14-08
Berezovsky wood-processing plant, CJSC	Lumbering, wood-processing – round sawn timber, plank and joinery	628259, KhMAO – Yugra, Sovetsky district, Taezhny settlement, Mira St., 4,	Ph.: +7 (346-75) 44-898, 44-805
Biysk Floatable Bureau, Ltd.	Wood sawing. Production of joinery items and sawn timber	659304, Altai, Biysk, Granichnaya St., 29	Ph.: (3854) 33-37-66, 33-33-66

Name	Activity	Address	Contacts
Biysk Woodworking Plant, JSC	Wood sawing. Timber-processing. Production of joinery items, sawn timber, windows and doors	659315, Altai, Biysk, Socialisticheskaya St., 17	Ph.: +7 (3854) 23-59-70, 34-24-15, biysk_dok@yourline.ru
Bolshevik, JSC	Woodworking. Production and assembly of door and window blocks from different materials	630083, Novosibirsk, Vodoprovodnaya St., 1A	Ph.: +7 (3832) 69-48-11, 69-48-22, 69-48-66, 69-48-33
Cherepovetsky Fanerno-Mebelny Kombinat, CJSC	Wood sawing. Woodworking. Plywood, chipboard, and sliced veneer production	162604, Vologda region, Cherepovets, Proyezzhaya St., 4	Ph.: +7 (8202) 29-11-95, 29-13-64, 29-79-73, fmk@metacom.ru
Cherepovetsles, LHK, JSC	Timber logging. Wood sawing. Coniferous and hardwood lumber production	162602, Vologda region, Cherepovets, Lenina St., 80	Ph. +7 (8202) 22-12-30, Fax +7 (8202) 51-84-53, info@cherles.ru, www.cherles.com
Chuguevskaya LPK, CJSC	Timber logging. Timber-processing	692180, Primorye territory, Chuguevka village, Chapaeva St., 1A	Ph. +7 (4237) 22-32-27, CHLPK@rambler.ru, www.chlpk.com
Continental Management Timber Industrial Company, Ltd.	Timber logging. Wood-processing. Pulp-and-paper. Wood chemistry	127051, Moscow, Malaya Sukharevskaya Sq., 12	Ph. +7 (495) 771-71-80, Fax +7 (495) 771-71-82, info@lpkkm.ru, DispSuch@lpkkm.ru, www.lpkkm.ru
Dallesstroy, JSC	Timber logging. Lumbering. Plywood, chipboard, fiberboard and matches production	680030, Khabarovsk, Fabrichny Lane, 2	Ph.: +7 (4212) 21-61-66, 21-95-58, 21-71-70, 21-46-03
Demidovo Plywood, Ltd.	Production of birch and laminated plywood	601201, Vladimirsky region, Sobinsky district, Lakinsk settlement, Demidovo village	Ph. +7 (49242) 4-17-82, Fax +7 (49242) 4-12-73, demidovo@dem.ru, www.demidovo.ru
DOK No.1	Lumber (sawn timber, fiberboard, chipboard, plywood and matches)	115404, Moscow, Shestaya Radialnaya St., 17	Ph.: +7 (495) 327-35-15, 327-35-16, 327-92-05
DOK No.13, JSC	Woodworking and furniture industry	140005, Moscow region, Lyubertsy, Kirova St., 20A	Ph.: +7 (495) 503-12-33, 559-25-74, dok13@mailtransit.ru, www.dok-parket.ru
DOK No.17	Woodworking	129128, Moscow, Mira Ave., 188B	Ph.: +7 (495) 187-31-00, 181-60-00, info@dok17.ru, www.dok17.ru
DOK No.3, JSC	Woodworking and furniture industry	109202, Moscow, Pervaya Karacharovskaya St., 8	Ph.: +7 (495) 171-09-04, 171-65-59, 171-65-15, dok-3@id.ru
DOK, Ltd.	Wood sawing. Woodworking. Lumber and moldings production	188560, Leningrad Region, Slantsy, Krasnaya St., 1	Ph. +7 (81374) 2-11-07, Dok.sl@konrad.spb.ru
Domostroitel, JSC	Woodworking and furniture industry	612950, Kirovsky region, Vyatsko-Polyansky district, Krasnaya Polyana settlement, Druzhby St., 1	Ph.: +7 (83334) 5-30-01, 5-31-01, office@domo.kirov.ru, www.domo.kirov.ru
Dubrovsky DOZ, JSC	Woodworking and furniture industry	404002, Volgograd region, Dubovka, Stepnaya St., 1	Ph.: +7 (84458) 3-29-61, 3-29-68, 3-17-52
Dyatkov-DOZ, Ltd.	Woodworking	242603, Bryansk region, Dyatkov, Lenina St., 225	Ph.: +7 (48333) 3-10-85, 3-11-54, 3-12-94, 3-28-75, mebel@online.debryansk.ru, www.dyatkovomebel.ru
Egger Drevprodukt, Ltd.	Woodworking. Production of chipboard, fiberboard, MDF and laminate	155908, Ivanovo region, Shuya, Yuzhnoie highway, 1	Ph. +7 (49351) 3-90-00, Fax +7 (49351) 3-91-11, info-ru@egger.com, www.ru.egger.com
Engineer, Process plant, Ltd.	Production of sawn timber: euro-battens, floor boards and joiner's board	634000, Tomsk, Vysotskogo St., 33, building 3	Ph.: +7 (3822) 63-38-45, 63-38-44, ingenert@yandex.ru
Eurostandard, CJSC	Woodworking: production of laminated chipboard and laminated MDF for furniture industry	214016, Smolensk, Soboleva St., 113	Ph.: +7 (4812) 67-31-62, 68-32-11, 38-98-47, eurostandart@sci.smolensk.ru, www.eurostandart.com
Fancom, Ltd.	Woodworking: production of birch plywood and veneer, and latoflex.	121609, Moscow, Rublyovskoe highway, 36/2, office 253	Ph.: +7 (495) 415-43-76, 415-43-26, info@fancom.ru, www.fancom.ru
Fanplit, Kostromsky Plywood Plant, JSC	Woodworking and furniture industry	156961, Kostroma, Komsomolskaya St., 2	Ph. +7 (4942) 65-05-11, fanplit@sveza.com, www.fanplit.ru
Fenster-ag, CJSC	Woodworking industry. Production of plank: glued timber, and wooden euro windows. Machines and equipment	620026, Sverdlovsk region, Yekaterinburg, Krasnoarmeyskaya St., 72	Ph.: +7 (343) 377-51-11, 377-51-12, okno@urs.ru, www.fenster-ag.ru
Finkoles, Ltd.	Wood sawing. Production of molded items and glued timber	634063, Tomsk, Borovaya St., 5	Ph. +7 (3822) 73-60-20, finkoles@rambler.ru, www.finkoles.ru



Name	Activity	Address	Contacts
Furniture Components Factory, Ltd.	Woodworking and furniture industry	127410, Moscow, Altufievskoie highway, 79A	Ph. +7 (495) 748-77-55, Fax +7 (495) 748-67-00, sale@ztkm.ru, www.ztkm.ru
Galichles, Ltd.	Timber logging. Wood-processing. Coniferous and hardwood lumber production	157200, Kostroma region, Galich, Gora Yamskaya St., 4	Ph.: +7 (4943) 72-11-54, 72-11-52, Fax: +7 (4943) 72-11-33, 72-11-51, galichles@pochta.ru
Gatchinskaya Lesnaya Gruppy, Ltd.	Timber logging. Wood sawing.	188350, Leningrad Region, Gatchina, Promzona-1, micro-district 6, square	Ph.: +7 (8137) 19-00-71, 19-02-14, mail@gfg.ru, gfg_@mail.ru
Igirma-Tairiku, SP, Ltd.	Timber logging. Wood sawing. Production of lumber from pine and larch. Technological wood chip manufacturing	665685, Irkutsk region, Nizhneilimsky district, Novaya Igirma settlement, Vostochnaya St., 2/9	Ph.: +7 (3952) 26-09-55, 25-68-50, 26-09-90, post@igt.irtel.ru, www.igt.irtel.ru
Igorievsky Woodworking Plant, JSC	Woodworking	215645, Smolensk region, Kholm-Zhirkovsky district, Igorievskaya station	Ph.: +7 (48139) 2-62-19, 4-14-79, sekretar@oaoidk.ru
Ilim Timber Industry, Holding, Ltd.	Timber logging. Timber-processing	197022, St. Petersburg, Aptekarskaya embankment, 20, lit.A	Ph.: +7 (812) 332-26-84, 718-63-18, www.ilimtimber.com
Investlesprom, CJSC	Timber harvesting. Wood sawing. Woodworking: chipboard, fiberboard, construction plywood. Wooden construction. Pulp-and-paper: bag paper and newspaper, wrapping types of paper and cardboard	119180, Moscow, Brodnikov Lane, 4	Ph. +7 (495) 500-30-51, www.investlesprom.ru
Investment Industrial Company, Ltd. (Green Factory)	Woodworking. Production of particle board and multilayer plywood. Wood sawing. Production of splint	634050, Tomsk, Karla Marxa St., 17/1	Ph.: +7 (3822) 51-50-88, 51-51-22, tna@istk.tomsk.ru, www.z-f.su
Inzensky DOZ, Ltd.	Woodworking. Production of veneer and plywood	433030, Ulyanovsk region, Inza, Zavodskaya St., 16	Ph.: +7 (8424) 12-47-09, 12-64-67, Fax +7 (8424) 12-44-61, info@inzadoz.ru, www.inzadoz.ru
Izhmash DOZ, JSC	Woodworking and furniture industry	426052, Izhevsk, Lesozavodskaya St., 23	Ph.: +7 (3412) 71-29-23, 71-17-47, www.dozizhmash.ru
Kaluzhsky Plywood Plant, CJSC (a part of Fancor, Ltd.)	Woodworking: production of plywood, bent-glued furniture parts, and latoflex	248002, Kaluga, Krasnopivtseva St., 4	Ph.: +7 (4842) 57-44-10, 57-52-77, kfz@kaluga.ru
Karsikko-Tyumen, Ltd.	Timber logging. Wood-processing. Bio fuel pellets production	625056, Tyumen, Proezd Voroninskiye gorki St., 101	Ph.: +7 (3452) 23-99-99, 23-88-72, tyumen@karsikko.ru, www.karsikko.ru
KazLesInvest-Tomsk	Timber exporting. Wood sawing. Production of sawn timber	634009, Tomsk, Sacco Lane, 4	Ph. +7 (3822) 40-81-24, info@rklpk.ru
Kedr PKP, Ltd.	Woodworking: doors production	153032, Ivanovo, Stankostroitelei St., 5	Ph.: +7 (4932) 23-65-45, 29-56-08, Fax +7 (4932) 34-52-68, www.pkp-kedr.ru
Kletnyansky Timber Plant, JSC	Woodworking	242820, Bryansk region, Kletny Panfilova settlement, 21	Ph.: +7 (48338) 9-42-79, 9-16-85, 9-16-85
Klinsky DOK, CJSC	Woodworking	141600, Moscow region, Klin, Moskovskaya St., 39	Ph.: +7 (495) 332-53-13, 332-53-13
Koda Les Regional Timber Company, Ltd.	Lumbering, wood-processing: round timber and sawn timber	628011, KhMAO – Yugra, Khanty-Mansi, Komsomolskaya St., 30	Ph. +7 (3467) 35-51-46, Fax (3467) 33-13-61, office@kodales.ru, www.kodales.ru
Kovrovsky Timber Plant, JSC	Woodworking: industrial wood, window and door blocks, wooden tare	601902, Vladimir region, Kovrov, Leskhoznaya St., 4	Ph.: +7 (49232) 2-10-20, 2-13-44
Krasnoarmeisky lesozavod, CJSC	Woodworking industry: columns for communication lines and electricity transmissions, wooden housing construction	400029, Volgograd, Buguruslanskaya St., 21	Ph.: +7 (8442) 62-46-59, 62-46-51, klz@avtlg.ru
Krasny Jakor, CJSC	Woodworking: birch plywood production	613152, Kirov region, Slobodsky district, Sovetskaya St., 132	Ph.: +7 (83362) 4-40-81, 4-35-34, 4-43-50, 4-40-74, 4-35-35, fanera@jakor.kirov.ru, www.jakor.ru
Krasny Oktyabr, DOK, JSC	Woodworking. Furniture production	625001, Tyumen, Kombinatskaya St., 60	Ph. +7 (3452) 23-88-66, info@dokko.ru, www.dokko.ru
Kronospan Yegorievsk	Woodworking: production of chipboard, laminated chipboard, MDF, HDF and OSB	140341, Moscow region, Yegorievsky district, Novy settlement, 100	Ph.: +7 (495) 970-01-07, 765-93-54, sales@kronospan.ru, www.dsp-mdf.ru

Name	Activity	Address	Contacts
Kronostar, Ltd.	Woodworking: boards production for furniture and construction industry	157510, Kostroma region, Sharya, Centralnaya St., 4, Vetluzhsky settlement	Ph. +7 (49449) 5-96-00, Fax +7 (49449) 5-96-11, office@kronostar.com, www.kronostar.com
Kumales, CJSC	Lumbering, wood-processing: round timber and sawn timber	628205, KhMAO – Yugra, Kondinsky district, Kuminsky settlement, Pochtovaya St., 51	Ph.: +7 (34677) 39-148, 39-126
Les Export, JSC	Timber logging. Woodworking	690000, Vladivostok, Partizansky Ave., 44	Ph. +7 (4232) 42-49-95, info@lesexport.com, www.lesexport.com
Lesagrostroy, CJSC	Timber logging, wood sawing and woodworking	352121, Krasnodar region, Tikhoretsk, Volgogradskaya St., 4	Ph.: +7 (918) 200-07-30, +7 (961) 587-20-11, terminal_4@mail.ru
Lesosibirsky LDK, CJSC	Woodworking. Lumber production. Pulpchips and crossties producing	662544, Krasnoyarsky Krai, Lesosibirsk, Privokzalnaya St., 1	Ph.: +7 (3914) 56-42-57, 56-42-53, ligna@ligna-siberia.com, www.ligna-siberia.com
Lesplitinvest, JSC	Woodworking. MDF production	188760, Leningrad region, Priozersk, Inzhenernaya St., 13	Ph.: +7 (812) 709-98-58, +7 (81379) 32-651, 31-026, info@plit.ru, marketing@plit.ru, www.plit.ru
Lesviko	Timber harvesting. Sawn timber production	127591, Moscow, Dubninskaya St., 79, office 46	Ph. +7 (495) 484-36-74, info@lesviko.ru, www.lesviko.ru
Lpk-Lobva, CJSC	Lumbering and woodworking	624420, Sverdlovsk region, Lobva, Zavodskaya St., 4	Ph. +7 (34318) 3-11-09, Fax +7 (34318) 3-10-72, lobva@serov.ru, www.lobva.ru
Luzsky Timber-Processing Plant, JSC	Timber harvesting. Wood sawing. Woodworking. Furniture production from solid wood	613982, Kirovsky region, Luza, Truda Sq., 1	Ph.: +7 (83346) 1-11-06, 2-21-11, 1-10-30, llpk@pila.kirov.ru
LVL-Yugra, JSC	Lumbering and wood-processing: glued veneer sheets (LVL)	628183, KhMAO – Yugra, Nyagan, Lazareva St., 28	Ph.: +7 (34672) 51-209, 52-169, 51-238, lvl-ugra@nuagan.ru
Maiskles, JSC	Woodworking and lumber production. Wood sawing. Forest products export	613750, Kirov region, Murashinsky district, Bezbozhnik, Pochtovaya St., 23	Ph.: +7 (8334) 82-28-55, 82-21-57, Fax +7 (8334) 82-28-35
Malinovsky sawmill, CJSC	Lumbering, removal of logs, sawn timber	628248, KhMAO – Yugra, Sovetsky district, Alyabievsky settlement, Tomyakina St., 8	Ph.: +7 (34675) 39-500, 40-444
Manturovsky Plywood Plant, JSC	Woodworking: production of plywood and veneer	157580, Kostroma region, Manturovo, Matrosova St., 25	Ph.: +7 (49446) 2-73-64, 2-82-85, Fax +7 (49446) 2-73-48
Mariysky Paper Mill, JSC	Woodworking: fiberboard production. Pulp-and-paper: production of technical type paper and cardboard, and market cellulose	425000, Mari El republic, Volzhsk, Karla Marxa St., 10	Ph. +7 (83631) 2-01-73
Meleuzovsky DOK, CJSC	Woodworking and furniture industry	453851, Bashkortostan republic, Meleuz, Dokovskaya St., 24	Ph.: +7 (34764) 4-26-17, 4-02-10, 4-40-89, 4-16-94, meldok@bashnet.ru, meldok.narod.ru
Minnesko-Novosibirsk, CJSC	Timber logging. Wood sawing. Woodworking. Export	630055, Novosibirsk, Musy Jhalilya St., 13	Ph.: +7 (383) 316-56-44, 336-05-85, 332-01-45, Fax: +7 (383) 333-30-16, 330-35-33, msu@msu-group.com, www.msu-group.com
Moskovsky Pilot Chipboard Plant, JSC (Head Enterprise of Plitprom Holding)	Woodworking and furniture industry	141431, Moscow region, Khimki, Podrezkovo micro-district, Komsomolskaya St., 16	Ph.: +7 (495) 574-35-70, 574-34-63, 574-34-03, mezdsp@plitprom.ru, www.plitprom.ru
Mozhaisky Lesopilny TPM	Wood sawing. Production of lumber and glued wooden constructions	115824, Moscow, Derbenyevskaya embankment, 7, building 23	Ph.: +7 (495) 737-76-76, 747-94-44, 956-33-99, 956-33-99, wood@nimal.ru, www.les-in.ru
Murom, CJSC	Woodworking and furniture industry: plywood, plywood FSF type, chipboard, laminated chipboard, and veneer	602253, Vladimir region, Murom, Kirova way, 21	Ph.: +7 (49234) 3-57-20, 3-39-12, sekretar@murom.mit.ru, www.zaomurom.ru
Nelidovsky DOK, JSC	Woodworking. Purchase of plywood log. Window and door blocks sale	172523, Tver region, Nelidovo, Zavodskaya St., 7	Ph. +7 (48266) 3-73-93, Fax +7 (48266) 3-11-05, neldok@rambler.ru, www.neldok.tver.ru
Novoeniseisky LHK, CJSC	Woodworking. Producing of lumber. Board production	662546, Krasnoyarsky kra, Lesosibirsk, 40 let Oktyabry, St. 1	Ph.: +7 (3914) 53-91-93, 53-40-01, referent@novo-lhk.ru, www.novo-lhk.ru
Obninsky Plywood Plant, Ltd.	Woodworking: plywood production	249035, Kaluga region, Obninsk, Lenina Lane, 127, office 605	Ph.: +7 (48439) 4-19-77, 4-19-70, +7 (910) 524-30-12, ofk@obninsk.ru
Oles TD, Ltd.	Woodworking	125190, Moscow, Usicheva St., 20/2	Ph. +7 (906) 035-07-21, info@zavodoles.ru, www.zavodoles.ru



Name	Activity	Address	Contacts
Partner-Omsk, CJSC	Lumbering. Wood sawing. Woodworking. Board production	644046, Omsk, Pushkina St., 133	Ph.: +7 (3812) 30-63-90, 51-14-78, www.partner-omsk.ru, sekretar@partner-omsk.ru
Partner-Tomsk LPK, Ltd.	Woodworking. Production of MDF and particle board, and items made from them	634050, Tomsk, Lenina St., 63	Ph. +7 (3822) 53-45-02, partner-tomsk@list.ru
Permsky DSK, TD, Ltd.	Wood sawing. Woodworking. Fiberboard production. Furniture industry	614027, Perm, Dachnaya St., 10	Ph. +7 (342) 263-46-84, Fax +7 (342) 263-47-81, permsdk@yandex.ru, www.permsdk.ru
Permsky Plywood Plant	Wood sawing. Woodworking: plywood and chipboard production	617005, Perm region, Nytvensky district, Uralsky settlement, Moskovskaya St., 1A	Ph.: +7 (34272) 5-25-70, 9-54-41, 5-26-06, 5-33-62, Fax: +7 (34272) 3-02-13, 9-54-41, 3-02-23, 3-07-82, info.pfk@sveza.com, www.sveza.com
Pilot Plant of Chipboard, CJSC	Sawn timber production: laminated chipboard. Furniture production	141303, Moscow region, Sergiyev Pasad, Leskhoz settlement	Ph.: +7 (495) 729-41-49, 549-24-16, dsp@zaodsp.ru, www.zaodsp.ru, www.ruslaminat.ru
Plant of Original Timbering, JSC	Sawn timber production	141700, Moscow region, Dolgoprudny, Likhachevsky way, 10	Ph.: +7 (495) 408-73-94, 576-50-18, 408-18-97, zndk@mail.ru
Plitispichprom, JSC	Woodworking: boards production	249000, Kaluga region, Balabanovo, Pyatdesyat Let Oktyabrya Sq., 3	Ph.: +7 (48438) 6-20-47, 6-09-37, Cell. Ph. +7 (903) 636-50-14, bht1@yandex.ru, www.pspcom.ru
Plyterra, CJSC	Woodworking: plywood and stump veneer production	430027, Republic of Mordovia, Gagarina St., 99A	Ph. +7 (8342) 35-26-50, office@plyterra.ru, www.plyterra.ru
Poleko LPK, Ltd.	Timber harvesting. Woodworking: fiberboard production	613911, Kirov region, Podosinovsky district, Demianovo settlement, Stroitel'naya St., 30	Ph. +7 (83351) 2-13-90, www.wood-way.ru
Povolzhsky Veneer-Furniture Plant, CJSC	Wood sawing. Woodworking: plywood and veneer production. Furniture industry	422520, Tatarstan republic, Zelenodolsk, Privokzal'naya St., 5	Ph.: +7 (84371) 5-75-85, 5-71-99, 5-76-33, admin@pfmk.ru, vsereada@pfmk.ru
Prikamles, CJSC	Timber harvesting. Wood sawing. Woodworking: wooden construction materials production	614068, Perm, Pushkina St., 113	Ph.: +7 (3422) 44-74-52, 44-71-20, 19-48-85
Primorsklesprom, JSC	Timber logging and woodworking. Wooden construction. Forest products' sale	690091, Vladivostok, Sukhanova St., 3	Ph. +7 (4232) 43-35-72, plpvvo@mail.primorye.ru
Primorsky Lesokombinat, JSC	Timber logging. Wood sawing. Timber-processing	692132, Primorye territory, Dalnerechensk, Tarasa Shevchenko St., 1	Ph.: +7 (4235) 62-50-43, 62-21-28, primordok@mail.primorye.ru
Prommash, Ltd.	Production of sawn timber	630088, Novosibirsk, Sibiryakov Gvardeitsev St., 51/1, office 206	Ph. +7 (383) 342-55-04, sibstans@mail.ru, www.prommashplus.ru
PTS Hardwood, JSC	Sawing and wood slicing. Impregnation of wood	692152, Primorye Territory, Terneisky district, Plastun settlement, PO Box 41	Ph.: +7 (42374) 3-44-72, 3-46-97, 3-41-84, kovalchuk@pts-hardwood.ru
Quinta-Holding, CJSC	Woodworking. Wooden construction	422530, Tatarstan republic, Zelenodolsky district, Vasilievo settlement, Lenina St., 38	Ph.: +7 (84371) 6-02-53, 6-06-23, 6-13-64, quinta@mi.ru, www.lariks.ru
RamLes, Ltd.	Wooden construction: houses from glued timber. Lumbering: recycling, and timber sale. Sawn timber: production of glued timber, joinery, and roof timber	140005, Moscow region, Lyubertsy, Oktyabrsky Lane, 15, office 602	Ph.: +7 (495) 984-75-52, 984-25-74, 941-62-57, 741-37-63, ramles@ramles.ru, www.ramles.ru, www.ramstroy.ru
Rassvet, JSC	Lumbering, production of sawn timber	352690, Krasnodar region, Apsheronok, Fabrichnaya St., 2	Ph.: +7 (861-52) 2-02-89, 2-12-65, Fax: +7 (861-52) 2-02-89, rassvet@apsheronok.ru, www.rassvet.apsheronok.ru
Rosles, Ltd.	Wood sawing: production of sawn timber, and joinery	117570, Moscow, Krasnogo Maiaka St., 13/5, App. 166	Ph.: +7 (495) 725-06-77, 652-50-99, 306-52-17, rosless@yandex.ru, www.rosless.ru
Ruslesgroup, Ltd.	Timber logging. Lumbering. Woodworking	125009, Moscow, Voznesensky Lane, 11, building 1	Ph. +7 (495) 988-30-76, office@rusles.ru, www.rusles.ru
Russian-Kazakh Timber Processing Company, Ltd.	Production of sawn timber	634009, Tomsk, Sakko Lane, 4	Ph.: +7 (3822) 40-81-24, 40-56-81, 40-57-07, info@rklpk.ru
Ryazansky DOZ, JSC	Sawn timber: production of window and door blocks, planer-and-molding items. Timber sawing	391000, Ryazan, 197 km (circular road), building 2	Ph. +7 (4912) 28-51-48
Sagos Production Association	Wooden house construction, Production of round timber, floor board, euro-batten and sawn timber	634057, Tomsk, Semdesyat Devyatoy Gvardeyskoy Armii St., 24	Ph. +7 (3822) 59-99-66, lpk@sagos.ru, www.sagos.ru

Name	Activity	Address	Contacts
Samzassky sawmill, CJSC	Lumbering, removal of logs. Wood sawing	628256, KhMAO – Yugra, Sovetsky district, Kommunistichesky settlement, 23	Ph.: +7 (34675) 46-555, 46-283
Seletsky DOK, JSC	Woodworking	242250, Bryansk region, Trubchevsky district, Belaya Beryozka settlement, Dzerzhinskogo St., 3	Ph.: +7 (48352) 2-49-49, 35-50-80
Siberian Forestry Company, Ltd.	Deep woodworking, production of glued items and wooden constructions	655015, Abakan, Budyonnogo St., 116	Ph.: +7 (3902) 28-46-27, 28-45-95, siblk@inbox.ru
Siberian lumbering company, CJSC	Lumbering, removal, timber barking	628248, KhMAO – Yugra, Sovetsky district, Alyabyevsky settlement, Novoselov St., 5A	Ph.: +7 (34675) 39-670, 43-483, siblk@bk.ru
Siberian Timber-Processing Company, JSC	Wood sawing. Production of lumber, glued beam furniture and joint molding. Exporting to Italy, Germany, France and other countries	634029, Tomsk, Belinskogo St., 15, office 705	Ph. +7 (3822) 52-64-50, siblpk@yandex.ru
Siberian Timber-Processing Company, Ltd.	Glued plywood, stump veneer	644901, Omsk, Beregovoy micro-district, Irtyshskaya St, 1A	Ph.: +7 (3812) 98-20-22, 98-20-48, sibleskom@mail.ru
Sibintegra, CJSC	Deep woodworking	634009, Tomsk, Rosy Luxemburg St., 39A	Ph.: +7 (3822) 51-05-89, 51-63-74, sibintegra@tomsk.ru, sibintegra.narod.ru
Sigma Group Holding Company, Ltd.	Woodworking	680000, Khabarovsk, Leningradskaya St., 30	Ph. +7 (4212) 32-66-06
Ural-progress SK, CJSC	Woodworking industry, production of plank	623418, Sverdlovsk region, Yekaterinburg, Kuybisheva St., 48b	Ph.: +7 (343) 251-33-75, 251-67-39, hkprogress@mail.ru
Slobodsky Furniture Factory, JSC	Wood sawing. Woodworking. Cabinet-type furniture production	613154, Kirovsky region, Slobodsky district, Slobodskoi, Rainisa St., 11	Ph.: +7 (83362) 4-05-69, 4-19-51, 4-25-69
Smolensky DOZ, JSC	Woodworking and furniture industry	214001, Smolensk, Kashena St., 23	Ph.: +7 (4812) 22-14-05, 22-37-72
Sobinsky Lesokombinat, JSC	Timber logging. Wood sawing	601200, Vladimir region, Sobinka, Lenina St., 109	Ph.: +7 (49242) 2-17-76, 2-23-41
Sokolsky TPM, JSC	Woodworking and wooden construction	162132, Vologda region, Sokol, Lugovaya St., 1	Ph.: +7 (8173) 39-41-53, 39-44-10, sdok@sdok.vologda.ru, www.sokoldok.ru
Solombalales, Managing Company, JSC	Timber logging. Woodworking. Pulp-and-paper	163059, Arkhangelsk, Kirovskaya St., 4	Ph.: +7 (8182) 67-96-70, 67-96-00, ivan.borodin@soles.ru, www.solombala.com
Solombalsky LDK, JSC	Woodworking. Export of lumber. Pulpchips production	163012, Arkhangelsk, Dobrolyubova St., 1/1	Ph.: +7 (8182) 29-44-55, 65-75-67, 22-31-61, 67-84-55, sldk@sldk.ru, www.sldk.ru
Soyuzstroidetal, TPK, Ltd.	Furniture production: kitchens, table tops, false panels, floor moldings, MDF, and chipboard	117405, Moscow, Dorozhnaya St., 605	Ph.: +7 (495) 799-91-71, 799-91-70, contact@ssd.su, www.ssd.su
SpetsService, Ltd.	Woodworking. Production of molded items from larch. Round timber, Timber logging	665806, Irkutsk region, Angarsk, Industrial zone, Pervy Promishlenny Massive, block 27, building 25, PO Box 5932	Ph.: +7 (3955) 57-20-14, 57-38-26, kanat60@mail.ru
Sprey, Ltd.	Wood sawing and woodworking. Transshipment services. Transporting	692135, Primorye Territory, Dalnerechensk, Lenina St., 55	Ph. +7 (423) 562-39-88, pol_vitalij@list.ru, spreewood@mail.ru
STOD, Ltd.	Chipboard and MDF production	172011, Tver region, Torzhok, Staritskaya St., 96A	Ph. +7 (482) 519-32-00
Stroylesprom, CJSC	Woodworking and lumbering	352571, Krasnodar region, Mostovskiy settlement, Stroitel'naya St., 4	Ph.: +7 (86192) 5-31-91, 5-46-63, stroifortuna@mail.ru
Surgutmebel, CJSC	Lumbering, wood-processing, door sets and sash pulleys, modular buildings, carriage-houses, molded strips, furniture	628450, KhMAO – Yugra, Surgutsky district, Borisovo settlement	Ph. +7 (3462) 41-30-70, sells@surgutmebel.ru
Sverdles, production association, JSC	Woodworking and plank production. Timber export	620026, Sverdlovsk region, Yekaterinburg, Michurina St., 132	Ph.: +7 (343) 261-24-10, 261-38-38, export@svles.ru, www.svles.ru
Sveza, JSC	Timber logging. Wood-processing. Plywood and particleboard production	143441, Moscow region, Krasnogorsky district, Putilkovo settlement, 69 km of MKAD, building 17, apartment 3/1	Ph. +7 (495) 783-00-35, Fax +7 (495) 783-00-34, info@sveza.com, www.sveza.ru
Taiga, Timber - Processing Company, Ltd.	Production of molded items, glued timber and euro floors	634049, Tomsk, Michurina St., 20, office 501	Ph.: +7 (3822) 66-93-10, 66-02-53, taiga-tomsk@yandex.ru, www.taiga.tomsk.ru



Name	Activity	Address	Contacts
Tarnaya Baza, Ltd.	Production of sawn timber, molded items and wooden tare. Exporting	634000, Tomsk, Michurina St., 108	Ph.: +7 (3822) 72-67-31, 67-88-41, sds12@yandex.ru
Tavdin's veneer plant, CJSC	Woodworking. Trade of sawn timber: birch and aspen plywood	623955, Sverdlovsk region, Tavda, Kovalya St., 4	Ph.: +7 (34360) 300-30, 300-27, info@tfk.ru, www.tavda.ru
Terneyles, JSC	Timber logging. Wood sawing. Wooden construction. Woodworking	692152, Primorye territory, Terneisky district, Plastun settlement	Ph.: +7 (4237) 43-31-28, 43-46-10, 43-49-08, company@terneyles.ru, www.terneyles.ru
Titan, Group of companies	Timber logging. Woodworking	163000, Arkhangelsk, Pomorskaya St., 7	Ph.: +7 (8182) 21-43-90, 46-24-92, 21-44-12, 46-24-85, Fax +7 (8182) 20-58-31, office@titans.su, www.titangroup.ru
Tomlesdrev LPO, Ltd.	Production of laminated particle board, sawn timber and molded items	634024, Tomsk, Vtoroy settlement LPO, 109/3	Ph. +7 (3822) 58-79-34, tomld@mail.tomsknet.ru, www.tomlesdrev.ru
Tomsk Manufacturing Company, Ltd.	Manufacturing of molded items: boards, batten, plinths, bars	634012, Tomsk, Shevchenko St., 53	Ph.: +7 (3822) 55-54-76, 55-55-45, 48-05-70, tpktomsk@mail.ru, www.tpk-tomsk.narod.ru
Transles, Ltd.	Timber logging. Woodworking. Coniferous, birch, aspen balances and plank timber production	188560, Leningrad region, Slantsevsky district, Gostitsy settlement, 'Sto Ferm' building	Ph. +7 (911) 752-43-33, Fax +7 (8137) 43-61-72, www.translesspb.narod.ru
Tyumensky plywood mill, JSC	Woodworking and furniture. Manufacture of plywood	625005, Tyumen, Beregovaya St., 109	Ph.: +7 (3452) 46-27-16, 46-23-31, 46-24-29, 46-44-25, tumfk@sibtel.ru
Ufimsky Plywood-Board Plant, Ltd.	Wood sawing. Woodworking: plywood, chipboard, and joinery production	450019, Bashkortostan republic, Ufa, Rizhskaya St., 5	Ph. +7 (347) 275-10-25, Cell. Ph. +7 (927) 940-00-96, ufpk@mail.ru
Ufimsky Veneer Plant, Ltd.	Woodworking: plywood, chipboard, and joinery production. Furniture	450026, Ufa, Ufimskoye highway, 4	Ph.: +7 (3472) 31-24-63, 31-35-67, 33-04-79, Fax: +7 (347) 231-24-65, 244-54-00, 244-55-99, 244-50-66, sale@ufk.bashles.ru
Ulyanovsky TPM, JSC	Lumbering. Wood sawing. Woodworking. Bioenergy	432057, Ulyanovsk, Seldinskoye highway, 12	Ph.: +7 (8422) 69-27-00, Fax +7 (8442) 48-61-09, anefedova@utc.mv.ru, www.ulpk.ru
United Panel Group Moscow	Sawn timber: production of wood-boarded output, plywood, and chipboard	123592, Moscow, Kulakova St., 20, building 1L	Ph. +7 (495) 995-35-00, Fax: +7 (495) 995-35-10, 995-35-11, nr@upgweb.ru, www.upgweb.com
UPM-Kymmene, Ltd.	Timber logging. Wood sawing. Timber-processing. Pulp-and-paper	101000, Moscow, Pokrovsky Ave., 4/17, building 4A	Ph. +7 (495) 916-00-22, Fax (495) 917-41-23, Natalia.Malashenko@upm-kymmene.com, www.upm-kymmene.com
Usolsk Plywood Plant	Production of plywood, particle board and parquet board	665451, Irkutsk Region, Usolye-Sibirskoye, Molotovaya St., 103	Ph.: +7 (39543) 4-42-50, 6-23-40, post@sib-fanera.ru, www.sibfanera.ru
Uvadrev Holding, JSC	Wood sawing. Woodworking: plywood, chipboard, and joinery production. Dendrochemistry	427261, Izhevsk, Uva settlement, Zavodskaya St., 1	Ph.: +7 (34130) 4-57-55, 4-58-99, 5-17-61, 5-16-56, karl@uvadrev.udmnet.ru, www.livwood.ru, www.uvadrev.ru
Vatan, CJSC	Woodworking and Timber logging	353590, Krasnodar region, Mostovskiy district, Uzlovoy settlement, industrial zone	Ph. +7 (86192) 6-64-30, Cell. Ph. +7 (928) 660-91-73
Veld Production Company	Woodworking and furniture	420036, Kazan, Tetsevskaya St., 7	Ph.: +7 (843) 571-90-03, 571-90-13, veld@veld-group.ru, www.veld-group.ru
Veneer Plant Vlast Truda, JSC	Woodworking: plywood production	442150, Penzensky region, Nizhny Lomov, Shiroky Lane, 31	Ph.: +7 (84154) 4-14-40, 2-19-52, 2-18-48, 2-17-48, 2-18-52, vlastrud@sura.ru, www.vt.sura.ru
Vereisky Lesokombinat, Ltd.	Timber logging. Woodworking	143330, Moscow region, Naro-Fominsky district, Vereya, Kaluzhskaya St., 48A	Ph. +7 (4963) 46-70-25, mail@goodles.ru, www.goodles.ru
Verhneketsky LPK, JSC	Sawing of round timber. Antiseptizing of wood. Production of sawn timber. Customs preparation. Railway transportation. Gross sale of lumber	636500, Tomsk Region, Verhneketsky district, Bely Yar settlement, Tayozhnaya St., 1Д	Ph.: +7 (3822) 26-58-90, 26-55-49, forestgroup@mail.ru, www.vlpk.tomsk.ru

Name	Activity	Address	Contacts
Verkhnekamskles, JSC	Timber harvesting. Wood sawing	612820, Kirov region, Verkhnekamsky district, Kirs, Oktyabrskaya St., 1	Ph.: +7 (83339) 2-33-36, 2-31-46
Vesiegonsky DOK No.15, Ltd.	Woodworking. Sawn timber production	171720, Tver region, Vesiegonsk, Zarechnaya St., 2	Ph.: +7 (48264) 2-10-23, 2-10-48
Vladimirsky Forestry Plant, JSC	Lumber: sawn timber, fiberboard, chipboard, plywood and matches	600017, Vladimir, Lunocharskogo St., 26	Ph.: +7 (4922) 23-04-24, 23-07-00
Volkhovec, Ltd.	Woodworking. Wooden doors production	173008, Veliky Novgorod, Syrovskoe Highway, 24	Ph.: +7 (8162) 94-46-05, 94-46-79, Fax +7 (8162) 94-46-09, volhovec@volhovec.natm.ru, www.volhovec.ru
Vologdalesprom Corporation, JSC	Timber logging. Wood-processing: round wood, sawn timber, wood-pellets.	160000, Vologda, Lermontova St., 15	Ph. +7 (8172) 72-89-01, Fax +7 (8172) 72-51-07, vkles@vologda.ru, www.vologdalesprom.ru
Vologodskiye Lesopromyshlenniki, CJSC	Timber logging. Woodworking	160004, Vologda, Blagoveshenskaya St., 47	Ph. +7 (8172) 72-88-18, info@volwood.ru, www.volwood.ru
Vyksales, JSC	Timber harvesting. Wood sawing. Wooden construction	607060, Nizhny Novgorod region, Vyksa, Slepnyova St., 13	Ph.: +7 (83177) 3-18-45, 3-08-44, 3-08-77, 3-46-45, 3-12-27
Vyshnevolotsky Mirror-Framing Factory, JSC	Woodworking: frames and framings, and consumer goods production	171162, Tver region, Vyshny Volochek, B.Sadovaya St., 149	Ph.: +7 (48233) 6-26-67, 6-12-54, 6-13-76, 6-23-81, Fax +7 (48233) 6-11-45, vzbfb@nm.ru, www.vzbfb.nm.ru
Vyshnevolotsky Timber Enterprise, CJSC	Woodworking	171157, Tver region, Vyshny Volochek, Krasnoarmeiskaya St., 30	Ph.: +7 (48233) 6-30-83, 6-33-42, Fax +7 (48233) 6-25-60
Woodplus, Ltd.	Lumbering and woodworking	692031, Primorye Territory, Lesozavodsk, Kirova St., 1	Ph. +7 (42355) 2-47-61, wood@dmr.su, woodplus@mail.ru, www.woodplus.ru
Wood sawing plants of Yugra, CJSC	Lumbering, removal of logs. Wood sawing. Export plank	628242, KhMAO – Yugra, Sovetsky, Lenina St., 47	Ph.: +7 (34675) 38-090, 38-064, 38-066, lzu@bk.ru
Woodway Group	Woodworking. Board production	141400, Moscow region, Khimki, Leningradskaya St., 1	Ph.: +7 (495) 735-49-20, 735-49-21, 735-49-22, www.wood-way.ru
Yakutuglesstroy, JSC	Production of joinery items, molded items, and window and door blocks	678960, Republic of Sakha, Neryungri, Naberezhnaya St., 1	Ph. +7 (41147) 4-31-14, Fax: +7 (41147) 4-10-78, 4-08-95
Zapkarelles, CJSC	Timber logging. Timber-processing	186870, Republic of Karelia, Suoyarvi, Gagarina St., 28	Ph.: +7 (8145) 75-13-51, (8145) 75-13-14, Fax +7 (8145) 75-12-65, post@zapkarelles.ru, www.zapkarelles.ru
Zavod Derevoizdelij, CJSC	Woodworking and furniture	115088, Moscow, Vtoroi Yuzhnoportovoy way, 26A	Ph.: +7 (495) 958-96-95, 958-95-30, Fax +7 (495) 958-89-46, zdi@aha.ru, www.zdi-m.ru
Zavolzhsy DOZ, CJSC	Wood sawing. Furniture production	606520, Nizhny Novgorod region, Zavolzhie, Lesozavodskaya St., 7	Ph.: +7 (83169) 3-21-22, 3-20-20, fanera@mail.nnov.ru, www.zdoz.innov.ru
Zelenoborsky sawmill, CJSC	Lumbering, removal of logs. Wood sawing	628248, KhMAO – Yugra, Sovetsky district, Zelenoborsky settlement, Politekhnikeskaya St., 17	Ph.: +7 (34675) 47-154, 41-155
Zelenodolsky Plywood Plant, JSC	Woodworking: plywood, stump veneer, and shields	422541, Tatarstan republic, Zelenodolsk, Kooperativnaya St., 1	Ph.: +7 (84371) 3-25-18, 3-26-52, 3-26-22, fanera@zfb.ru, www.zfb.ru
Zelenodolsky Sawmill, JSC	Woodworking industry	422540, Tatarstan republic, Zelenodolsk, Futbolnaya St., 10	Ph. +7 (84371) 4-30-29
Zhukovsky DOZ, CJSC	Woodworking and furniture industry	140180, Moscow region, Zhukovsky, Shkolnaya St., 9/18	Ph.: +7 (495) 556-96-93, 556-95-12, 556-65-11



Companies Dealing with Board Production

Name	Activity	Address	Contacts
PRODUCTION			
Altai-Forest, Ltd.	Particle board, plywood	658000, Altai, Talmensky district, Larichikha settlement, Talmenskaya St., 13	Ph.: +7 (38591) 2-78-83, 3-22-34, Fax (38591) 3-22-41, alforest2007@yandex.ru, larles@yandex.ru, www.altaiforest.ru
Arkhangelsky Plywood Manufacturing Plant, CJSC	Plywood	164900, Arkhangelsk region, Novodvinsk, Frontovyykh Brigad St., 14	Ph.: +7 (81852) 6-35-94, 4-27-70, Fax +7 (81852) 4-32-64, sekretar@arkpf.atnet.ru, info@arkpf.atnet.ru, www.arkpf.ru
Bugulma DOZ, JSC	Particle board, fiberboard, plywood	423230, Tatarstan republic, Bugulma, Tchaikovskogo St., 25	Ph.: +7 (85514) 3-69-53, 3-67-24, 3-69-53, Fax: +7 (85514) 4-64-91, 4-57-66
Cherepovetsky FMK, CJSC	Particle board, laminated chipboard, plywood	162604, Vologda region, Cherepovets, Proezhaya St., 4	Ph.: +7 (8202) 29-16-96, 55-68-34, Fax: +7 (8202) 29-25-40, 29-23-37, fmk@chp.ru
Demidovsky Plywood Manufacturing Plant, Ltd.	Plywood	601201, Vladimir region, Sobinsky district, Demidovo village	Ph. +7 (49242) 4-12-73, Fax (49242) 4-12-73, demidovo@demidovo.ru, www.demidovo.ru
Dok-Plit, Ltd.	Particle board	109202, Moscow, Pervaya Karacharovskaya St., 8	Ph.: +7 (495) 171-65-10, 171-07-47, Fax +7 (495) 171-68-50, dsp@dokplit.ru, www.dokplit.ru
Dyatkovo-DOZ, JSC	Laminated particle board	242603, Bryansk region, Dyatkovo, Lenina St., 225	Ph.: +7 (48333) 3-28-75, 3-21-45, 3-45-54 Fax +7 (48333) 3-28-75
Eurostandard, CJSC	Laminated particle board, laminated MDF	Production: 214016, Smolensk, Soboleva St., 113 Representation: 123001, Moscow, Bolshaya Sadovaya St., 8, office 516	Ph.: +7 (4812) 68-31-62, 68-32-11, 38-98-47, 38-81-94, (495) 650-10-66, Fax +7 (4812) 68-37-89, eurostandard@sci.smolensk.ru, euroolm@aha.ru, eurostandart@post.ru, www.eurostandart.com
Fankom, CJSC	Plywood	624691, Sverdlovsk region, Alapaevsky district, Verkhnyaya Sinyachikha, Kedrovaya St., 1	Ph. +7 (343) 372-71-10, Fax +7 (343) 372-71-11, fankom@fankom.ru, www.fankom.ru
Fanplit, JSC	Plywood, laminated particle board	156961, Kostroma, Komsomolskaya St., 2	Ph. +7 (4942) 65-05-11, Fax (4942) 65-05-59, fanplit@sveza.com, www.fanplit.ru
Fiberboard Plant, Ltd.	Particle board, fiberboard	169200, Komi republic, Emva-2, Vymskaya St., 35	Ph./Fax +7 (82139) 9-11-88, dvp@parma.ru, secretary@edvp.ru, www.angelfire.com/
Green Factory, LPK	Particle board, plywood	634050, Tomsk, Karla Marxa St., 17/1	Ph.: +7 (3822) 51-50-88, 51-51-22, tna@istk.tomsk.ru, kva@istk.tomsk.ru, www.z-f.su
Greenwood, Ltd.	Particle board, plywood	612085, Tver region, Kalyazin, Industrialnaya St., 12	Ph.: +7 (903) 232-01-57, 525-35-88, Fax +7 (495) 994-12-22, g-wood@mail.ru, grinles@bk.ru, www.g-wood.ru
InterProm, Ltd.	MDF, laminated particle board	127247, Moscow, Dmitrovskoye Highway, 100/2	Ph. +7 (495) 780-01-95, interpror@interpror.ru, www.interpror.ru
Investlesprom, CJSC	Particle board, fiberboard	164842, Arkhangelsk region, Onega-2, Gutina St., 2	Ph.: +7 (81431) 3-40-24, (495) 789-32-95, smi@scbk.ru
Karelia Chipboard, JSC	Particle board, laminated particle board	186323, Karelia republic, Medvezhiegorsky district, Pindushi settlement, Kanifolnaya St., 5	Ph.: +7 (81434) 4-49-62, (495) 787-55-37, Fax: +7 (81434) 4-49-62, (495) 787-5539, info@kareldsp.ru, www.kareldsp.ru

Name	Activity	Address	Contacts
Lesprom SPb, JSC	Plywood	196644, St. Petersburg, Kolpinsky district, Sapyorny settlement	Ph.: +7 (812) 462-18-28, 462-81-11, Fax +7 (812) 462-82-22, mail@balticaplywood.ru
Maksatikhinsky Timber-Processing Plant, PK	Plywood	171900, Tver region, Maksatikha settlement, Novogo St., 71	Ph.: +7 (48253) 2-13-35, 2-15-95, Fax +7 (48253) 2-15-20, info@mlpk.ru, sales@mlpk.ru, www.mlpk.ru
Manturovsky Plywood Manufacturing Plant, JSC	Plywood	157305, Kostroma region, Manturovo, Matrosova St., 25	Ph. +7 (49446) 2-73-70, Fax +7 (49446) 2-73-48, mfk@sveza.com
Murom, CJSC	Particle board, laminated particle board, plywood	602253, Vladimir region, Murom, Kirova Runway, 21	Ph. +7 (9234) 3-57-20, Fax +7 (9234) 3-39-12, sekretar@murom.mit.ru, www.zaomurom.ru
Nevsky Laminat Plant, Ltd.	Particle board, laminated particle board	188684, Leningrad region, Vsevolozhsky district, Nevskaya Dubrovka settlement, Sovetskaya St., 1	Ph.: +7 (81370) 7-64-49, 7-68-50, (812) 380-41-26, Fax +7 (81370) 7-63-64, ldsp@dspnd.ru, www.dspnd.ru
Perm Plywood Manufacturing Plant, CJSC	Particle board, plywood	617005, Permsky krai, Nytvensky district, Uralsky settlement, Moscovskaya St., 1A	Ph.: +7 (34272) 5-26-73, 5-26-74, Fax +7 (34272) 3-02-13, fankom@mtts.perm.ru, www.plywood.permnet.ru
Pfleiderer, Ltd.	Particle board	173502, Novgorod region, Novgorod district, Podberezye village, Tsentralnaya St., 106	Ph.: +7 (8162) 94-37-15, 94-37-00, Fax +7 (8162) 94-37-17, www.pfleiderer.ru
Plitspichprom, CJSC	Fiberboard, particle board, water resistant particle board	249000, Kaluga region, Balabanovo, Pyatdesyat let Pobedy Square, 3	Ph.: +7 (48438) 2-12-85, 2-11-85, Fax: +7 (48438) 6-02-72, 6-20-47, info@pspcom.ru, www.pspcom.ru
Seletsky DOK, JSC	Particle board, plywood	242250, Bryansk region, Trubchevsky district, Belaya Berozka settlement, Dzerzhinskogo St., 3	Ph. +7 (48352) 2-49-49, Fax +7 (4832) 35-50-80
Sheksninsky KDP, Ltd.	MDF, particle board, laminated particle board, fiberboard	162562, Vologda region, Sheksna settlement, Pervomaiskaya St., 22	Ph.: +7 (81751) 2-39-41, 2-33-60, 2-55-98, Fax +7 (81751) 2-39-55, skdp@vologda.ru, www.skdp.ru
Sotameko Plus, Ltd.	Plywood	162139, Vologda region, Sokol, Mamonova St., 6	Ph.: +7 (81733) 3-50-96, 3-50-65, Fax +7 (81733) 3-54-89, sotameko@vologda.ru
Syktvykar Plywood Manufacturing Plant, Ltd.	Particle board, laminated particle board	167026, Syktvykar, Ukhtinsky Highway, 66	Ph. +7 (8212) 29-37-00, Fax +7 (8212) 29-38-48, info@plypan.com, secretary@plypan.com, www.plypan.com
Ugmebel, JSC FPK	Particle board, fiberboard, plywood	344010, Rostov-on-Don, Krasnoarmeyskaya St., 33	Ph. +7 (863) 232-12-49, Fax +7 (863) 232-77-49, ugmebel@ugmebel.ru, www.ugmebel.ru
Uvadrev-Holding, JSC	Particle board, laminated particle board, plywood	427261, Udmurt republic, Zavodskaya St., 1	Ph.: +7 (34130) 4-57-93, 4-53-12, Fax +7 (34130) 5-16-56, avv@uvadrev.ru, sk@uvadrev.ru, www.uvadrev.ru, www.livwood.ru
Versa Mill, LPK, Ltd.	Particle board, fiberboard, plywood	169420, Komi republic, Troitsko-Pechorsky district, Troitsko-Pechorsk settlement, Oktyabrskaya St., 30	Ph./Fax +7 (82138) 9-15-50
Vlast Truda, Plywood Manufacturing Plant, JSC	Plywood	442150, Penza region, Nizhny Lomov, Shiroky Lane, 31	Ph. +7 (84154) 4-14-40, Fax +7 (84154) 2-18-52, vlastrud@sura.ru, www.vt.sura.ru
Volgodonsk Plant of Wood-based Panels, JSC	MDF, particle board, laminated particle board	347360, Rostov region, Volgodonsk, Portovaya St., 1	Ph.: +7 (86392) 2-33-07, 9-52-47, Fax (86392) 9-53-82, mebel@vkdp.ru, www.vkdp.ru
Zelenodolsky Plywood Manufacturing Plant, JSC	Plywood	422541, Tatarstan Republic, Zelenodolsk, Kooperativnaya St., 1	Ph. +7 (84371) 3-26-52, Fax +7 (84371) 3-26-22, sekr@zfz.ru, www.zfz.ru



Name	Activity	Address	Contacts
Zheshartsky Plywood Manufacturing Plant, JSC	MDF, fiberboard, particle board, laminated particle board, plywood	169045, Komi republic, Ust-Vymsky district, Zhershat settlement, Gagarina St., 1	Ph. +7 (82134) 4-71-20, Fax +7 (82134) 4-71-75, sidor.g@relay.rosigna.komi.com, dsp@relay.rosigna.komi.com, www.upgweb.ru
VK-Engineering, Ltd.	Engineering services for production of: MDF, OSB, particle board, fiberboard	105120, Moscow, Khlebnikov Lane, 7, building 3	Ph.: +7 (495) 678-81-46, 678-70-89, Fax +7 (495) 671-00-96, ushakov@vk-eng.ru, vbv54@mail.ru www.vk-eng.ru

SALE

ALGRAF, Ltd.	MDF, particle board, laminated particle board, fiberboard, improved fiberboard, plywood	167000, Komi republic, Syktyvkar, Oktyabrsky Ave., 131/6	Ph.: +7 (8212) 51-60-30, 51-68-68, algraf2007@rambler.ru, algraf2006@rambler.ru, www.algraf.vdnh.ru
Comfort, Ltd.	MDF, OSB, particle board, laminated particle board	142400, Moscow region, Noginsk, Schestidesyatiletia Oktyabrya Embankment, 2	Ph./fax: +7 (495) 651-61-16, 644-78-80, elena@dsp-mdf.ru, www.dsp-mdf.ru, www.o-s-b.ru
Dreviz, Ltd.	Particle board, laminated particle board, fiberboard, improved fiberboard plywood	603096, Nizhny Novgorod, Svetloyarskaya St., 42	Ph.: +7 (831) 226-46-64, 226-25-62, 226-52-00, 226-25-62, 463-65-69, 220-97-23, oksanadreviz@rambler.ru, igordreviz@yandex.ru, krono_sot@mail.ru, dreviz@mail.ru, www.dreviz.ru
Elita-2C, Ltd.	MDF, particle board, fiberboard plywood	115201, Moscow, Kashirsky Runway St., 25, office 123	Ph.: +7 (495) 648-41-93, (499) 613-98-43, Fax +7 (495) 748-03-64, info@fanerra.ru, www.fanerra.ru
Innovatsia, FPK	OSB, fiberboard, plywood	125083, Moscow, Baltiyskaya St., 15, office 406	Ph.: +7 (495) 518-61-83, 518-81-09, Ph./fax: +7 (495) 231-70-57, 974-33-40, 974-19-84, 974-82-09, innovatsia@mail.ru, info@innovatsia.ru, www.innovatsia.ru
MATO-Market, Ltd.	MDF, laminated MDF, OSB-3, particle board, laminated particle board	143980, Moscow region, Zheleznodorozhny micro-district, Kupchino, Yuzhnaya St., 9	Ph. +7 (495) 745-05-92, Fax +7 (495) 745-05-92, mail@mato.ru, www.mato.ru
RLT, Weber Representation	Equipment for board production	115230, Moscow, Electrolitny Runway, 5B	Ph./Fax: +7 (495) 317-49-90, 317-49-54, 317-86-09, rtl-info@yandex.ru
Russian Plywood, TD	Particle board, laminated particle board, fiberboard, plywood	614022, Perm, Stakhanovskaya St., 4	Ph./Fax: +7 (342) 219-56-96, 290-98-01, 290-97-87, 224-10-05, 219-56-99, 223-02-13, 290-97-77, rusply@plywoodrus.ru, www.plywoodrus.ru
Southern Construction Company, CJSC	Particle board, plywood	344022, Rostov-on-Don, Bolshaya Sadovaya St., 150	Ph.: +7 (863) 295-00-51, 295-01-51, (861) 210-00-96, (846) 276-84-18, 276-84-19, (8442) 26-27-97, sbc-rostov@s-met.ru, www.s-sbc.ru
Technoles M, CJSC	Equipment for board production	129128, Moscow, Malakhitovaya St., 27B	Ph./Fax: +7 (495) 742-68-69, 742-49-28, info@technoles.ru
Uralsnab, Ltd	MDF, fiberboard, laminated particle board	426006, Izhevsk, Poima St., 25	Ph. +7 (3412) 50-62-13, Fax +7 (3412) 50-54-39, uraldsp@udmnet.ru
Wood Trade, Ltd.	MDF, plywood	614066, Perm, 9 Maya St., 16	Ph. +7 (342) 237-97-17, Fax (342) 227-47-93, info@woodtraid.ru, www.woodtraid.ru

Dear readers! We also offer to your attention the list of the leading enterprises working in the sphere of **PLYWOOD PRODUCTION**, which you can see on **page 71**.

Glued Assemblies in Wooden House Construction

Name	Activity	Address	Contacts
AmurLes	Production of houses from logs and glued timber	109383, Moscow, Shossejnaya St., 90, building 13	Ph.: +7 (495) 728-75-74, 354-01-01, (915) 421-19-67, www.amurles.ru
Ardiss, Ltd.	Construction of houses from glued timber according to frame-panel technology	115114, Moscow, Letnikovskaya St., 11/10, building 19	Ph.: +7 (495) 258-81-27, 589-10-19, ardiss2005@mail.ru, www.ardiss.ru
Artichouse	Construction of houses from logs and glued timber	107045, Moscow, Bolshoy Sergievsky Ave., 5	Ph.: +7 (495) 608-48-38, 608-32-94, info@artichouse.ru, www.artichouse.ru
ASB-M, Ltd.	Production of profiled construction glued timber, glued block-houses, stub log, and glued floors	119017, Moscow, Staromonetny Lane, 33	Ph.: +7 (495) 626-21-68, 626-21-69, 959-34-03, bruglue@mail.ru, www.asbmweb.ru
Astra, Ltd.	Production of molded strips. Construction of houses from glued timber	655012, Abakan, Pushkina St., 65	Ph.: +7 (39022) 22-44-92, 22-68-62, astrawood@mail.ru, www.astrawood.ru
ASV Industrial Company, CJSC	Construction of houses from glued timber. Production of glued timber and molded strips	634024, Tomsk, Prichalnaya St., 2, building 22	Ph.: +7 (3822) 66-07-66, 66-07-67, asv_asv2001@mail.ru, www.asv.su
AT-House, Ltd.	Production of glued timber, wooden glued constructions. Construction Center Centrado, office 26	199106, St.Petersburg, Vasilyevsky Ostrov, Bolshoy Ave., 103, Business Center Centrado, office 26	Ph. +7 (812) 970-55-75, Fax +7 (812) 336-60-55, info@at-house.ru, www.at-house.ru
Brus i Dom, Ltd.	Construction of houses from glued timber. Production of glued timber	142160, Moscow region, Lvovo village, 67 km of Kaluzhsky Highway	Ph.: +7 (495) 996-26-41, 646-62-78, Brusidom@brusidom.ru, www.brusidom.ru
Dobrykh Del Master, Ltd.	Production of glued timber	115404, Moscow, Stekolnaya St., 7, building 1	Ph. +7 (495) 995-29-92, ddm-st@mail.ru, www.ddm-stroy.ru
DOK 78, CJSC	Production of wooden glued constructions and molded strips. Construction of houses from glued timber	603124, Nizhny Novgorod, Vtorchermeta St., 7	Ph.: +7 (8312) 57-88-25, 24-35-68, 24-04-36, 57-88-26, Dok-78@yandex.ru, www.dok78.ru
Domocenter, Ltd.	Construction and engineering of houses from glued timber	690014, Vladivostok, Narodny Ave., 28, office 308	Ph.: +7 (4232) 44-61-32, 44-62-86, 44-63-17, dom@domocenter.ru, www.domocenter.ru
Domostroitel, Ltd.	Construction of houses from glued profiled timber according to frame-panel technology	115682, Moscow, PO Box 2	Ph.: +7 (495) 719-05-03, 719-09-62, 779-12-38, doma@nlik.ru, www.nlik.ru
Domostroy-Mangusta, Ltd.	Production of glued timber	630055, Novosibirsk, Stroiteley Ave., 25	Ph.: +7 (383) 330-38-88, 332-67-32, mangusta.korolev@mail.ru, www.mangusta.ru
Dom-Stroy, Ltd.	House construction from logs and glued timber	117405, Moscow, Varshavkoye Highway, 21 km, Motel Varshavsky, Pavilion П5	Ph.: +7 (495) 648-47-33, 101-41-36, ds2000@mail.ru
Drevograd, Ltd.	Production of wooden house constructions from the profiled glued timber	115191, Moscow, Kholodilny Ave., 3, office 311	Ph.: +7 (495) 411-99-91, 771-68-38, info@drevograd.ru, www.drevograd.ru
DSK Klest, JSC	Production and construction of houses from glued timber	152906, Yaroslavl region, Rybinsk, Rybinskaya St., 1	Ph. +7 (4855) 26-61-56, smirnov-klest@yandex.ru
EcoInvestStroy, Ltd.	Construction of houses from glued timber	125424, Moscow, Volokolamskoye Highway, 65B	Ph.: +7 (495) 657-85-67, 490-63-70, 490-48-72, eistroy@mail.ru, www.eisy.ru
Fincoles, Ltd.	Production of molded strips and glued timber	634063, Tomsk, Borovaya St., 5	Ph. +7 (3822) 73-60-20, finkoles@rambler.ru, www.finkoles.ru
Forester	Production of houses from glued timber. Production of wooden glued constructions	422530, Tatarstan Republic, Zelenodolsky district, Vasilievo settlement, Lenina St., 38	Ph.: +7 (84371) 6-13-84, 6-02-53, tatforester@mail.ru, www.lariks.ru
Freedom Works, Ltd.	Construction of houses from glued timber	142280, Moscow region, Protvino, Zheleznodorozhnaya St., 3	Ph.: +7 (495) 765-64-13, 644-48-34, (916) 499-46-90, (903) 146-86-54, info@freedomworks.ru, www.freedomworks.ru
GlavRosStroy, Ltd.	Construction and engineering of houses from logs and glued timber	443096, Samara, Michurina St., 52, office 108	Ph. +7 (846) 265-73-73, Fax +7 (846) 334-54-71, info@glavrosstroy.ru, www.glavrosstroy.ru



Name	Activity	Address	Contacts
Good Wood, Ltd.	Construction of houses from glued timber. Production of glued timber	141406, Moscow region, Khimki, Sovkhoznyaya St., 1-7	Ph. +7 (495) 229-47-77, mail@gwd.ru, www.gwd.ru
Grandstroi, Ltd.	Construction of houses from glued timber. Production of glued timber	111123, Moscow, Entuziastov Highway, 56, building 44, office 1006	Ph.: +7 (495) 798-03-58, 748-51-83, (905) 109-45-24, grandstroi37@mail.ru, www.grandstroi.ru
Haus-Konzept Sodruzhestvo, Ltd.	Wooden house construction: fast-built houses, houses from profiled glued timber. Wooden large-span glued constructions	197341, St.Petersburg, Kolomyazhsky Ave., 33, Business Center Sodruzhestvo	Ph.: +7 (812) 716-42-24, 380-86-44, 448-52-61, 380-86-10, factory@bkdk.ru, info@bkdk.ru, www.brus-haus.ru
Home Construction, Ltd.	Production and construction of houses from glued timber	115088, Moscow, Ugreshskaya St., 2A	Ph.: +7 (495) 782-85-94, 649-49-77, 782-85-94, info@homa.su, info@homka2000.ru, www.homka2000.ru
Interinvestcom, Ltd.	Construction and engineering of houses from logs and glued timber	129223, Moscow, Mira Ave., 119, VVC, Cottage Exposition	Ph.: +7 (495) 638-07-63, 974-79-99, iicom@bk.ru, www.iicom.ru
IPF Stezya, Ltd. Stezya-house	Construction of houses from glued timber	424003, Mari El republic, Yoshkar-Ola, Suvorova St., 7	Ph.: +7 (8362) 41-73-66, 41-76-30, Fax: +7 (8362) 41-75-31, 41-71-79, Tatiana.Domracheva@stezja.ru, info@stezja-dom.ru, www.stezja-dom.ru
Kostar, Ltd.	Construction of houses from logs and glued timber. Framehouses	127018, Moscow, Oktyabrskaya St., 98, building 3	Ph.: +7 (495) 689-99-69, 223-91-16, (925) 585-36-85, kostar@kostar.ru, www.kostar.ru
Log House, Ltd.	Construction of houses from logs and glued timber	125310, Moscow, Pyatnitskoye Highway, 42	Ph.: +7 (495) 638-54-61, (909) 993-30-47, contact@log-house.ru, www.log-house.ru
Lesograd	Production of houses from logs and glued timber. Log houses	129281, Moscow, Lyotchika Babushkina St., 31	Ph.: +7 (495) 228-25-92, 507-13-55, plcompany@yandex.ru, www.lesograd.ru
Lukri, Ltd.	Production of joinery and molded strips. Construction of wooden houses from glued timber	634000, Tomsk, Gagarina St., 7, office 303	Ph.: +7 (3822) 51-12-23, 51-70-63, lukri2006@yandex.ru, www.lukri.ru
Luxury Houses Group of Companies, Ltd.	Construction of houses from glued and bent-glue timber	125424, Moscow, Volokolamskoye Highway, 73, office 709	Ph. +7 (495) 780-35-66, luxury@luxuryhomes.ru, www.luxuryhomes.ru
Mariysky Dom (IP Galliev R.A.)	Construction of houses from logs and glued timber	425120, Mari El republic, Morki settlement, Sovetskaya St., 91	Ph. +7 (83635) 9-15-42, mail@mardom.ru, www.mardom.ru
Master House, Ltd.	Construction of houses from glued timber	129085, Moscow, Bochkova St., 6/1	Ph. +7 (495) 773-09-43, info@domvsem.ru, www.domvsem.ru
Paleks-Stroy, Ltd.	Projecting and construction of houses from profiled glued timber	115114, Moscow, Derbenevskaya Embankment, 11A, Business Center Pollars, Sector 1	Ph. +7 (495) 988-82-13, Fax +7 (495) 988-82-17, info@paleks-stroy.ru, www.paleks-stroy.ru
Plant of Glued Wooden Constructions, Ltd.	Construction of houses from glued timber. Production of glued timber	160012, Vologda, Turundaevskaya St., 126	Ph.: +7 (8172) 21-62-84, 21-63-19, info@zavodkdk.ru, www.zavodkdk.ru
RamLes, Ltd.	Construction of houses from glued timber. Production of glued timber	140005, Moscow region, Lyubertsy, Oktyabrsky Ave., 15, office 602	Ph.: +7 (495) 984-75-52, 984-25-74, 941-62-57, 741-37-63, ramles@ramles.ru, www.ramstroy.ru
RamLes, Ltd.	Production of glued timber, joinery and sawn timber	140002, Moscow region, Lyubertsy, Oktyabrsky Ave., 15	Ph.: +7 (495) 741-37-55, 984-75-52, ramles@ramles.ru
Rovaniemi (Petrostyle, Ltd.)	Construction of houses from glued timber and from round glued timber	101000, Moscow, Potapovsky Ave., 16/5, building 1, second floor	Ph.: +7 (495) 624-94-93, 624-73-22, moscow@rovaniemi.ru, www.rovaniemi.ru
Rus Construction Company, Ltd.	Construction of houses from glued timber, log houses, and houses according to framehouse technology	197342, St.Petersburg, Kantemirovskaya St., 2, office 106	Ph.: +7 (812) 380-15-17, 380-15-16, Fax +7 (812) 380-17-36, mail@russhouse.ru, www.russhouse.com
Russian West, Ltd.	Engineering, production and fitting of houses from glued timber	129085, Moscow, Olminkogo Ave., 3A, office 936	Ph. +7 (495) 234-01-11, info1@ruswest.ru, www.ruswest.ru
Siberian Forestry Company, Ltd.	Deep wood-processing, production of glued items and wooden constructions	655015, Abakan, Budyonnogo St., 116	Ph.: +7 (3902) 28-46-27, 28-45-95, siblk@inbox.ru

Name	Activity	Address	Contacts
Siberian Terema, Ltd.	Wooden house construction. Production of glued wooden constructions for low-rise building	666034, Shelekhov, Stroiteley and Montazhnikov Ave., 15	Ph. +7 (3952) 48-00-54, market@jibk.ru, www.siberterema.ru
Siberian Timber Industrial Company, CJSC	Production of glued and sawn timber, furniture board, and joint molded strips	634029, Tomsk, Belinskogo St., 15, office 705	Ph. +7 (3822) 52-64-50, siblpk@yandex.ru
Sibles, GK	Production of glued timber	630110, Novosibirsk, Pisemskogo St., 24/2, PO Box 97	Ph. +7 (383) 276-85-79, siblesprom@mail.ru, www.siblesprom.ru
Sibwood, Ltd.	Production of sawn timber, i.e. three-layer sash glued timber. Timber exporting	656049, Barnaul, Krasnoarmeysky Ave., 72, office 603	Ph. +7 (3852) 26-99-27, sibwood-altai@mail.ru
State House, Ltd.	Construction of houses from profiled glued timber. Production of glued timber	107045, Moscow, Chistyje Prudy, Maly Golovina Ave., 8, building 1	Ph.: +7 (495) 645-44-34, 645-44-30, 729-46-96, info@s-h.ru, www.s-h.ru
Steelwood, Ltd.	Wooden house construction: complete production cycle	630052, Novosibirsk, Tolmachevskaya St., 43/3	Ph. +7 (383)303-18-76, info@steelwood.ru, www.steelwood.ru
StroyInzhkom, Ltd.	Construction of houses from glued timber	121467, Moscow, Molodogvardeyskaya St., 7	Ph.: +7 (499) 140-69-11, 140-65-56, info@stroicomplex.ru, www.stroicomplex.ru
Sules, Ltd.	Construction of houses from glued timber. Production of glued timber	140002, Moscow region, Lyubertsy, Oktyabrsky Ave., 15, office 602	Ph.: +7 (495) 984-75-52, 941-62-57, sules@bk.ru, www.sules.ru
Taiga Timber-Processing Company, Ltd.	Production of molded strips, items from glued timber, and euro floors	634049, Tomsk, Michurina St., 20, office 501	Ph.: +7 (3822) 66-93-10, 66-02-53, taiga-tomsk@yandex.ru, www.taiga.tomsk.ru
Timber, Group of Companies, CJSC	Construction of wooden glued constructions and glued timber	425000, Mari El Republic, Prombaza St., 1	Ph.: +7 (83631) 4-30-32, 4-29-63, info@zaotimber.ru, www.zaotimber.ru
Trade, Ltd.	Construction of houses from glued timber and carriage. Panel framehouses	180004, Pskov, Dekabristov St., 19/1	Ph.: +7 (8112) 73-11-60, 73-11-71, 73-10-91, infodom2006@yandex.ru, www.infodom2006.narod.ru
Transles, Group of Companies	Construction of houses from glued timber. Production of glued timber and sawn timber	127566, Moscow, Rimsokogo-Korsakovo St., 14	Ph.: +7 (495) 220-88-59, 903-10-72, (985) 973-6752, transwood@bk.ru, www.transwood.ru
Uyutny Dom, Ltd.	Construction and engineering of houses from logs and glued timber	152916, Yaroslavl region, Rybinsk, 50 Let Oktyabrya Ave., 25A	Ph.: +7 (4855) 20-01-85, 20-03-36, 25-19-92, marketing@u-dom.ru, srub@u-dom.ru, www.u-dom.ru
Vivat Trade, Ltd.	Construction of houses from glued timber	129226, Moscow, Selskokhozyajstvennaya St., 16A	Ph.: +7 (495) 984-64-20, 741-73-73, vivat-trade@galactic.ru, www.vivat-trade.ru
Vladimir StroyLes, Ltd.	Construction of houses from logs and glued timber	129085, Moscow, Bochkova St., 6/1	Ph.: +7 (495) 507-84-85, 773-09-61, info@dom2000.ru, mail@vsldom.ru, www.vsldom.ru
Vuokatti Rus, Ltd.	Construction of houses from glued timber	129090, Moscow, Schepkina St., 3	Ph.: +7 (495) 729-40-17, 729-40-18, 729-51-48, vuokatti@v-home.ru, www.vuokatti-dom.ru
Vyatsky Srub, Ltd.	Construction of houses from logs and glued timber	612140, Kirov region, Darovskoy settlement, Pobedy St., 10	Ph. +7 (83336) 2-25-75, spb@vsrub.ru, office@vsrub.ru, www.vsrub07.narod.ru
WoodCraft	Production of houses from profiled glued timber. Production of glued timber	195009, St.Petersburg, Kondratievsky Ave., 2/4, office 307	Ph.: +7 (812) 305-38-32, 305-38-60, 305-38-91, (921) 785-52-17, info@welldom.ru, www.welldom.ru
Wooden House, Ltd.	Construction of houses from glued timber	121609, Moscow, Rublyovskoye Highway, 36, office 269	Ph.: +7 (495) 415-40-09, 415-29-65, info@woodenhouse.ru
Wooden House, Ltd.	Construction of houses from glued timber. Production of glued timber	426060, Izhevsk, 9th Yanvary St., 185A	Ph. +7 (3412) 93-61-10, info@wood-dom.com, www.wood-dom.com
Wooden Technologies, Ltd. (Representation in Abakan)	Wooden house construction: houses from glued timber, log and frame houses	655018, Republic of Khakassia, Abaza, Naberezhnaya St., 25	Ph. +7 (9130) 54-55-10, www.drevtex.ru
Zagorodny Stil, Ltd.	Construction of houses from logs and glued timber. Framehouses	119019, Moscow, Novy Arbat St., 21, office 2317	Ph.: +7 (495) 710-79-48, (909) 151-98-31, info@zagstil.ru, www.zagstil.ru
Zodchy, Ltd.	Production of houses from glued timber. Construction of houses according to frame technology	117587, Moscow, Kirovogradskaya St., Vladenie 1	Ph. +7 (495) 660-13-65, info@zod.ru, www.zod.ru



Main Enterprises of the Furniture Industry

Name	Activity	Address	Contacts
Abris, Ltd.	Furniture manufacture	188350, Leningrad region, Gatchina, Prigorodny settlement, Vyritskoye Highway, 15	Ph. +7 (81371) 2-21-51, abris3@gtn.ru, www.abris.gtn.ru
Abstanovka, Ltd.	Furniture manufacture. Stairs' manufacture	644105, Omsk, Chetvyortaya Chelyuskintsev St., 4	Ph. +7 (3812) 28-06-00, abstanovka@mail.ru
Agora 2000, Ltd.	Furniture manufacture	644007, Omsk, Trinadtsataya Severnaya St., 157A	Ph.: +7 (3812) 23-79-34, 38-03-68, agora2000@bk.ru
Ahtamar Furniture Plant	Furniture manufacture	656012, Barnaul, Mayakovskogo St., 20A	Ph. +7 (3852) 38-99-77, ahtamar@bk.ru, www.ahtamar.ru
Aldo Furniture Plant	Manufacture of built-in and cabinet furniture	109052, Moscow, Nizhegorodskaya St., 50	Ph.: +7 (495) 980-66-77, 980-95-16, aldo@aldo.ru, www.aldo.ru
Alex Furniture, Ltd.	Furniture manufacture	105484, Moscow, Shestnadtsataya Parkovaya St., 26	Ph. +7 (495) 797-67-53, 7976753@mail.ru, www.mebel-alex.ru
Alfasib	Furniture manufacture	630027, Novosibirsk, Dunaevskogo St., 29	Ph. +7 (383) 274-14-15
Alkos-Komfort, Ltd.	Furniture manufacture	630049, Novosibirsk, Krasny Ave., 165, office 6	Ph. +7 (383) 301-00-01, alkos-komfort@list.ru, www.alkos-komfort.ru
Allegrodrev, CJSC	Furniture manufacture	141006, Moscow region, Mytyschi, Olympisky Ave., 42	Ph.: +7 (495) 583-65-84, 980-03-80, info@allegrodrev.ru, www.allegrodrev.ru
Allegro-Style, Industrial Furniture Union XXI Century	Furniture manufacture	141100, Moscow region, Schyolkovo, Zarechnaya St., 13	Ph. +7 (495) 777-84-81
Altaspetsstehnologiya, Ltd.	Production of furniture accessories. Furniture manufacture. Sale of sawn timber	656064, Barnaul, Selskokhozyaistvennaya St., 1	Ph.: +7 (3852) 46-12-41, 46-13-65, nikos-wood@rambler.ru
Argas Furniture, Ltd.	Furniture manufacture	678300, Republic of Sakha, Kobyaisky district, Sangar settlement, Nagornaya St., 18	Ph. +7 (41163) 2-15-61, semalvas@mail.ru
Argo SK, Ltd.	Furniture manufacture	630024, Novosibirsk, Vatunina St., 40, office 5	Ph. +7 (383) 361-18-72, argo-sk@ngs.ru
Armoni, Ltd.	Furniture manufacture. Production of furniture accessories	656056, Barnaul, Kalugina St., 7	Ph.: +7 (3852) 77-14-84, 77-48-28
Art Deco	Furniture manufacture	105082, Moscow, Bolshaya Pochtovaya St., 18/20, building 6	Ph. +7 (495) 921-08-50, info@mkartdeko.ru, www.mkartdeko.ru
ASM Furniture Plant	Furniture manufacture	656063, Barnaul, Kosmonavtov Ave., 12B	Ph.: +7 (3852) 34-15-73, 34-15-74, asm@intelbi.ru
Assembly, Ltd.	Manufacture of cabinet furniture	129110, Moscow, Olympisky Ave., 20	Ph. +7 (495) 225-34-52, info@asamblea.ru, www.asamblea.ru
Atlas-Lux, Ltd.	Manufacture of kitchen furniture	129515, Moscow, Shestidesyatiletia Oktyabrya Ave., 9	Ph. +7 (495) 221-19-91
Aton, Ltd.	Manufacture of cabinet furniture	644116, Omsk, Tridtsat Shestaya Severnaya St., 5	Ph. +7 (3812) 68-38-34, aton_omsk@mail.ru
Atris, Ltd.	Manufacture of furniture for living spaces	119021, Moscow, Obolensky Ave., 9A	Ph. +7 (495) 725-60-19, info@atric.ru, www.atric.ru
Avangard	Furniture manufacture. Production of doors and windows	644001, Omsk, Kuibysheva St., 79	Ph.: +7 (3812) 36-25-04, 58-06-66, 58-07-05, 50-86-68, cim_avangard@mail.ru
Avenir	Furniture manufacture	680001, Khabarovsk, Stroitel'naya St., 20	Ph.: +7 (4212) 53-90-90, 41-53-53, vahmin@mail.kht.ru
Avrora, Ltd.	Furniture manufacture	644007, Omsk, Trinadtsataya Severnaya St., 157A	Ph.: +7 (3812) 22-02-30, 35-14-90, pavel_zimens@mail.ru, mf_avrora_omsk@mail.ru, www.avrora.omsk.ru
Balsa Plus, Ltd.	Furniture manufacture	644015, Omsk, Dvadsat Vtorogo Dekabrya St., 98	Ph. +7 (3812) 73-34-75, balsa@bk.ru

Name	Activity	Address	Contacts
Baltex	Manufacture of cabinet furniture	194044, St. Petersburg, Bolshoy Sampsonievsky Ave., 45, office 7	Ph.: +7 (812) 380-01-07, 542-93-25, Fax +7 (812) 542-93-25, www.balttextorg.ru
Becar, Group of Companies	Production of room doors	140060, Moscow region, Lyuberetsky district, Oktyabrsky settlement, Lenina Ave., 47	Ph. +7 (495) 510-46-76, becar@becar2000.ru, www.becar2000.ru
Biysk Furniture Plant, CJSC	Furniture manufacture	659316, Altai, Biysk, Matrosova St., 30	Ph.: +7 (3854) 23-59-64, 23-36-30, bmf@mail.biysk.ru
Biznes Mebel	Manufacture of furniture for offices and hotels	190031, St. Petersburg, Grazhdanskaya St., 17	Ph. +7 (812) 325-73-13, Fax +7 (812) 325-9893, www.biznes-mebel.ru
Borovichi Mebel, CJSC	Furniture manufacture	174400, Novgorod region, Borovichi, Sofyi Perovskoy St., 32	Ph. +7 (81664) 2-11-03, bormebel@borovichi.ru, www.new.bormebel.com
Centromebel, CJSC	Production of accessories for furniture industry	129346, Moscow, Noril'skaya St., 13A	Ph.: +7 (495) 474-94-00, 959-02-67, 953-37-81
Chernogorskmebel	Furniture manufacture	655162, Republic of Khakassia, Chernogorsk, Sovetskaya St., 155	Ph.: +7 (39031) 2-15-98, 2-26-49, cher-mebel@mail.ru
Cosmos Mebel	Manufacture of furniture from solid wood. Woodworking	192029, St. Petersburg, Obukhovskoy Oborony Ave., 107	Ph. +7 (812) 600-10-52, Fax +7 (812) 600-10-72, info@cosmos-mebel.ru
Coupe, Ltd.	Furniture manufacture	630049, Novosibirsk, Galuschaka St., 2A, office 316/1	Ph. +7 (383) 292-60-42, mail@coupe.com.ru, www.coupe.com.ru
Dalmebel-DV, Ltd.	Furniture manufacture	680000, Khabarovsk, Kim Yu Chena St., 45	Ph.: +7 (4212) 78-34-31, 78-34-52, 79-39-37, mail@dalmebel.ru, www.dalmebel.ru
Darko, Ltd.	Production of semifinished articles	630108, Novosibirsk, Stantsionnaya St., 38	Ph. +7 (383) 300-03-59, darko@darkoplit.ru
Darso Trade House	Manufacture of cabinet furniture	109316, Moscow, Ostapovsky Ave., 9, building 1	Ph. +7 (495) 660-21-85, Fax +7 (495) 660-21-86, sales@darso.ru, www.darso.ru
Defo	Furniture manufacture	127254, Moscow, Ogorodny Ave., 11, building 2	Ph. +7 (495) 221-25-85, kln@mosdefo.ru, www.defo.ru
Demidov-Furniture	Furniture manufacture	644009, Omsk, Lermontova St., 194	Ph. +7 (3812) 33-55-87, demidovmebel@mail.ru
Denica, Ltd.	Furniture manufacture	630071, Novosibirsk, Stantsionnaya St., 78	Ph. +7 (383) 300-03-59, office@denica.ru, www.denica.ru
Divanov Brothers Furniture Plant	Manufacture of cabinet furniture	630108, Novosibirsk, Stantsionnaya St., 30A	Ph. +7 (383) 350-81-74, bratdiv_olga@ngs.ru, www.mebeldivanov.ru
Dreamland	Manufacture of furniture for bedrooms	125130, Moscow, Klary Tsetkin St., PO Box 58	Ph.: +7 (495) 995-30-03, 617-06-40, 617-06-41, info@dream-land.ru, www.dream-land.ru
Drobex Furniture Plant	Made-to-order manufacturing of furniture	117571, Moscow, Bakinskikh Kommisarov St., 9	Ph.: +7 (495) 349-60-00, 349-60-11, drobex@yandex.ru, www.drobex.ru
Edelway, Ltd.	Manufacture of soft furniture	644015, Omsk, Dvadsat Vtorogo Dekabrya St., 92	Ph. +7 (3812) 92-76-29, edel@edel-mebel.ru, www.edel-mebel.ru
Elan, Ltd.	Production of semifinished articles	630054, Novosibirsk, Serafimovicha St., 2/1-2	Ph. +7 (383) 263-17-10, elan-ds@online.nsk.su
Elburg, Ltd.	Gross trade of imported furniture for living	129110, Moscow, Mira Ave., 51, PO Box 214	Ph.: +7 (495) 684-04-84, 684-17-79, mebel@elburg.ru, www.elburg.ru
Elema-N, Ltd.	Production of semifinished articles. Manufacture of furniture for children houses	630051, Novosibirsk, PO Box 121	Ph. +7 (383) 279-21-62, info@elema-n.ru, www.elema-n.ru
Elit Neva, Ltd.	Furniture manufacture. Production of sliding doors	197183, St. Petersburg, Liypovaya Alleya St., 9A	Ph. +7 (812) 600-55-43, Fax +7 (812) 600-55-37, elitneva@mail.ru, www.elitneva.ru



Name	Activity	Address	Contacts
Eurostandard, CJSC	Production of laminated particle board and laminated MDF for furniture manufacture	123001, Moscow, Bolshaya Sadovaya St., 8, office 516	Ph.: +7 (495) 650-10-66, 650-99-23, 650-93-62, euroolm@aha.ru, www.eurostandart.com
Eurostroykomplekt, Ltd.	Production of doors and semifinished articles	633011, Novosibirsk region, Berdsk, Lineinaya St., 5/17	Ph. +7 (38341) 2-45-29, esk@berdsk.ru, www.esk-nsk.ru
Everything for Offices Production Company	Manufacture of office furniture	630007, Novosibirsk, Kommunisticheskaya St., 45	Ph. +7 (383) 291-99-54, vdoik@mail.ru, www.vdoik.ru
Ezhva-Siberia, CJSC	Production of semifinished articles	630088, Novosibirsk, Petukhova St., 35A/1, PO Box 3	Ph. +7 (383) 342-05-45, ezhva-sibir@mail.ru
FasCo, Ltd.	Furniture manufacture	680013, Khabarovsk, Lermontova St., 3	Ph. +7 (4212) 42-50-24, fasko_oxy@factory.khn.ru
Fenek, Ltd.	Furniture manufacture	630090, Novosibirsk, Akademika Koptuga Ave., 4, offices 150-152	Ph. +7 (383) 333-37-90, feneknsk@yandex.ru, www.feneknsk.narod.ru
Festina, Furniture Plant	Furniture manufacture	630049, Novosibirsk, Galuschaka St., 1A	Ph. +7 (383) 230-18-71, mail@festina-home.com
Folksmaster, Group of Companies	Manufacture of kitchen furniture and made-to-order cabinet furniture	105054, Moscow, Bolshaya Pochtovaya St., 22	Ph. +7 (495) 221-80-81, inform@folksmaster.ru, www.folksmaster.ru
Forte Rus, Ltd.	Furniture manufacture	600016, Vladimir, Dobroselskaya St., 4A	Ph.: +7 (4922) 21-17-01, 31-27-08, forterus@yandex.ru
Furniture Accessories Plant, Ltd.	Production of furniture accessories	127410, Moscow, Altufyevskoye Highway, 79A, building 3	Ph. +7 (495) 748-77-55, Fax +7 (495) 748-67-00, orders@ztkm.ru, www.ztkm.ru
Furniture House-DV, Ltd.	Furniture manufacture	680052, Khabarovsk, Gagarina St., 9	Ph. +7 (4212) 22-90-31
Furniture Manufacture, Ltd.	Manufacture of soft furniture	630039, Novosibirsk, Nikitina St., 100, office 1	Ph. +7 (383) 212-49-10, www.mebel.sib.ru
Gabitus, Ltd.	Furniture manufacture	644041, Omsk, Pervaya Zheleznodorozhnaya St., 1	Ph. +7 (3812) 54-79-42, mikkola@mail.ru
Gatchinskaya Furniture Plant, Ltd.	Furniture manufacture	188306, Leningrad region, Gatchina, Solodukhina St., 2	Ph.: +7 (81371) 9-38-18, 9-38-15, 9-38-18
Grol, Ltd., Furniture Plant	Furniture manufacture	634000, Tomsk, Profsoyuznaya St., 2/4	Ph.: +7 (3822) 46-36-10, 46-36-20, 46-36-30, www.grol.ru
Home-Master	Manufacture of furniture for offices and kitchen garnitures	634034, Tomsk, Vershinina St., 44	Ph.: +7 (3822) 48-81-07, 48-82-07, 48-82-28, office@home-master.ru
Interior-Design	Manufacture of furniture from solid wood	190121, St. Petersburg, Drovyanoy Lane, 7	Ph.: +7 (812) 714-34-07, 495-34-30, Mebel_salon@mail.ru, www.mstar.spb.ru
ITD Group of Companies, Ltd.	Furniture manufacture. Sale of materials and accessories	630087, Novosibirsk, Karla Marxa Ave., 30, office 208	Ph. +7 (383) 346-01-10, itd@ngs.ru, www.itd.ru
Kabinet, Ltd.	Manufacture of school furniture	630015, Novosibirsk, Gogolya St., 204Б	Ph. +7 (383) 278-00-11, bvk-kabinet@yandex.ru, www.bvk.ru
Kambio	Manufacture of furniture for offices and hotels	127254, Moscow, Ogorodny Way, 8, building 1	Ph.: +7 (495) 231-33-11, 617-18-18, 617-18-19, kambio@kambio.com, www.kambio.ru
Kartel (Bochkov S.U.)	Furniture industry	602256, Vladimir region, Murom, Kolkhoznaya St., 24	Ph. +7 (49234) 3-37-10, kartel@mid.ru
Kedr-Plus, Ltd.	Furniture manufacture. Production of accessories, joinery items and door blocks	659343, Biysk, Yarovoy Lane, 21A	Ph.: +7(3854) 32-54-85, 32-57-72, elsakov@ab.ru
Kentavr-Invest, Ltd.	Furniture manufacture	630077, Novosibirsk, Kostycheva St., 74	Ph. +7 (383) 353-24-99, Kentavr-invest@mbit.ru, www.komplekt-nsk.ru
Kirzhachskaya Furniture Plant Trade House, Ltd.	Furniture manufacture	601010, Vladimir region, Kirzhachsky district, Kirzhach, Pyatidesyatiletia Oktyabrya St., 14	Ph. +7 (49237) 2-14-25, kzhmfk@yandex.ru
Kome-S, Ltd.	Manufacture and sale of cabinet furniture	634026, Tomsk, Dobrolyubova Lane, 10	Ph.: +7 (3822) 40-35-04, 40-31-00, rshik@tomsk.ru, rshik.tomsk.ru

Name	Activity	Address	Contacts
Komplektatsia, CJSC	Production of euro windows, doors and wooden items	630052, Novosibirsk, Tolmachevskaya St., 45/5	Ph. +7 (383) 299-59-86, komplet-nsk@mail.ru, www.komplekt-nsk.ru
Ladoga Furniture Plant, Ltd.	Manufacture of furniture from solid wood	190103, St. Petersburg, Dvenadtsataya Krasnoarmeyskaya St., 26	Ph. +7 (812) 331-01-55, www.ladoga-spb.ru
Lados-Mebel	Furniture manufacture	115230, Moscow, Varshavskoye Highway, 47/1, building 2	Ph.: +7 (495) 223-94-07, 611-63-02, info@lados-m.ru, www.lados-m.ru
Lamitex, Ltd.	Production of semifinished articles and furniture fittings	630088, Novosibirsk, Sibiryakov-Gvardeytshev St., 49/3, office 21	Ph. +7 (383) 212-00-07, sales@lamitex.ru, www.lamitex.ru
Largos, Ltd.	Sale of office furniture	630041, Novosibirsk, Vtoraya Stantsionnaya St., 30	Ph. +7 (383) 292-79-28, largos@list.ru, www.largos2.narod.ru
Legna Trade, Ltd.	Furniture manufacture	115419, Moscow, Shabalovka St., 69/1, PO Box 2	Ph.: +7 (495) 974-32-43, 932-32-44, kontakt@legna.ru, www.legna.ru
Lenraumamebel, CJSC	Manufacture of furniture from natural wood	197374, St. Petersburg, Mebelnaya St., 5	Ph. +7 (812) 430-02-01
Lesayuga, Ltd.	Furniture manufacture. Sale of furniture boards, molded items and sawn timber	634009, Tomsk, 1905 Goda Lane, 5A, building 3	Ph.: +7 (3822) 51-14-87, 57-88-31, parkett@mail.ru, www.lesayuga.ru
Lesplit, Ltd.	Production of semifinished articles	630017, Novosibirsk, Botkova St., 194/3	Ph. +7 (383) 291-39-81, lesplit@cn.ru
LEXX-Furniture	Furniture manufacture	630010, Novosibirsk, Geologicheskaya St., 24	Ph.: +7 (383) 264-22-50, 264-19-27, info@lexx-mebel.ru, www.lexx-mebel.ru
Magmus Trade, Ltd.	Furniture manufacture	119454, Moscow, Lobachevskogo St., 52, building 1	Ph.: +7 (495) 790-71-66, 787-53-63, info@magmus.ru, www.magmus.ru
Managers Club, Ltd.	Manufacture of cabinet and kitchen furniture	196105, St. Petersburg, Blagodatnaya St., 30	Ph.: +7 (812) 320-08-45, 320-08-46, 320-08-45, mclub1@mail.ru, www.m-club.spb.ru
March 8 Furniture Plant, Ltd.	Furniture manufacture	125438, Moscow, Avtomotornaya St., 1/3	Ph.: +7 (495) 956-88-88, 154-63-76, 742-52-72, 153-05-62, fabrika@fm-marta.ru, www.8marta.ru
Markus, Ltd.	Manufacture of cabinet furniture	194295, St. Petersburg, Ivana Fomina St., 6	Ph.: +7 (812) 516-69-56, 517-83-61, Fax +7 (812) 516-69-56, mebel.markus@mail.ru
Master-Furniture, Ltd.	Furniture manufacture	677000, Yakutsk, Kirova St., 19/2	Ph. +7 (4112) 42-86-71, van-tan@mail.ru
Mebelny Element, Ltd.	Furniture manufacture	143500, Moscow region, Istra, Zheleznodorozhny Ave., 5	Ph.: +7 (495) 994-42-25, 994-42-26, 994-42-27, info@melem.ru, www.melem.ru
Mefa, Ltd.	Manufacture of built-in cabinet furniture	630088, Novosibirsk, Sibiryakov-Gvardeytshev St., 49A, office 301	Ph. +7 (383) 344-76-49, mefa@bk.ru, www.mefa.ru
Merkus-M, Furniture Plant	Manufacture of soft cabinet furniture	630015, Novosibirsk, Kombinatnaya St., 3A	Ph. +7 (383) 279-97-75, merkus_m@gcom.ru, www.merkusm.ru
MERX Furniture Holding	Manufacture of furniture for offices, kitchens and living-rooms	115135, Moscow, Kosmodamianskaya St., 40/42, building 3, TARP CAO (for MERX Holding)	Ph. +7 (495) 617-36-87, salon@merx.ru, www.merx.ru
Miclescom, Ltd.	Production of parquet board from Siberian larch	664007, Irkutsk, Engelsa St., 8, office 207	Ph.: +7 (3952) 70-62-20, 53-80-87, parket_lux@mail.ru, www.miclescom.ru
Mir Mebeli	Furniture manufacture	199106, St. Petersburg, Vasilyevsky Ostrov, Kozhevonnaya Line, 27	Ph. +7 (812) 322-69-59, www.mir-mebeli.com, mir_mebeli@mail.ru
Missia, Ltd.	Manufacture of cabinet furniture	630028, Novosibirsk, Nizhegorodskaya St., 205	Ph. +7 (383) 344-98-93, missia2004@yandex.ru, www.missia2002.ru
Modern Production Commercial Company	Made-to-order manufacturing of cabinet furniture	655017, Abakan, Fabrichnaya St., 34Д	Ph.: +7 (3902) 25-19-11, 25-19-88, modern99@bk.ru, www.modern99.ru



Name	Activity	Address	Contacts
Monika-M	Manufacture of office and school furniture. Made-to-order furniture manufacture	193156, St. Petersburg, Alexandra Nevskogo St., 9	Ph.: +7 (812) 274-44-90, 329-70-17, monicaspb@bk.ru
Nois, Ltd.	Manufacture of furniture accessories	630088, Novosibirsk, Sibiryakov Gvardeyev, 49A, office 303	Ph. +7 (383) 210-22-87, nois@nois.nsk.su, www.nois.nsk.su
Nord, Ltd.	Production of materials for furniture manufacture. Decorative boards for doors production	192148, St. Petersburg, Sedova St., 23	Ph.: +7 (812) 325-34-52, 365-16-75, 568-09-94, Fax +7 (812) 325-34-53, nord@kromka.ru, www.kromka.ru
Novokor, Ltd.	Manufacture of office and hotel furniture	630110, Novosibirsk, Bogdana Khmel'nitskogo St., 90/1	Ph. +7 (383) 274-00-91, novokor07@mail.ru
Novosibirskaya Mebel, Ltd.	Furniture manufacture	630007, Novosibirsk, Sibiryakov Gvardeyev St., 49A/4, PO Box 250	Ph. +7 (383) 344-99-26, nmb@mail.ru, www.nmbl.narod.ru
Oriental Furniture, Ltd.	Furniture manufacture	121471, Moscow, Ryabinovaya St., 65	Ph.: +7 (495) 755-77-07, 416-76-78, ella@oriental-furniture.ru, www.oriental-furniture.ru
Ormatek, Ltd.	Manufacture of cabinet furniture. Production of orthopedic mattresses	111394, Moscow, Martenovskaya St., 36	Ph. +7 (495) 229-50-37, info@ormatek.com, www.ormatek.ru
Perfect, Group of Companies	Furniture manufacture	630088, Novosibirsk, Sibiryakov Gvardeyev St., 62	Ph. +7 (383) 342-55-97, office@intermebel-nsk.ru
Perpetum Mebeli, Ltd.	Manufacture of furniture for hotels and offices	129090, Moscow, Bolshaya Spasskaya St., 12, offices 171-172	Ph.: +7 (495) 974-12-59, 974-12-69, mebel@perpetum.ru, www.perpetum.ru
Pervaya Furniture Plant, CJSC	Manufacture of furniture for hotels and offices	197374, St. Petersburg, Mebelny Way, 4	Ph.: +7 (812) 331-37-32, 331-37-36, Fax +7 (812) 331-90-32, 1mf@1mf.com.ru, reklama@1mf.com.ru, www.1mf.ru
Pride, Ltd.	Manufacture of furniture for schools and colleges	630028, Novosibirsk, Nizhegorodskaya St., 241, office 215	Ph. +7 (383) 262-19-96, um@praid.ru, www.praid.ru
Priozersky DOZ, JSC	Furniture manufacture	188760, Leningrad region, Priozersk, Kalinina St., 49A	Ph.: +7 (81379) 3-62-07, 3-62-04, Fax +7 (81379) 3-56-06, doz@novodom.com, www.novodom.com
Prommebel, Ltd.	Furniture manufacture	630024, Novosibirsk, Mira St., 62/8	Ph. +7 (383) 347-57-66
Roduction Baze, GUP	Furniture manufacture. Production of doors and wooden windows	191178, St. Petersburg, Mokhovaya St., 85	Ph.: +7 (812) 275-60-94, 275-60-96, Fax +7 (812) 275-60-96, baza_gup@mail.ru
Ruspine Furniture Plant	Manufacture of furniture made from pine	117452, Moscow, Simferopolsky Boulevard, 17	Ph.: +7 (495) 725-85-52, 676-96-81, info@ruspine.ru, www.ruspine.ru
Rusky Prostor, Ltd.	Furniture manufacture	600009, Vladimir, Poliny Osipenko St., 63	Ph. +7 (4922) 33-26-53, rusprostor@mail.ru
Saan-Design, Ltd.	Manufacture of furniture for restaurants, pubs, coffee houses and homes	630041, Novosibirsk, Vtoraya Stantsionnaya, 30/5	Ph. +7 (383) 350-09-89, saandiz@mail.ru, www.saandiz.ru
Selivanov R.G., IP	Manufacture and sale of cabinet furniture	173015, Veliky Novgorod, Oktyabrskaya St., 10	Ph. +7 (8162) 79-70-35, selivanov@novline.ru, www.mebelselivanov.ru
Siberia Furniture Plant	Furniture manufacture	630024, Novosibirsk, Betonnyaya St., 6	Ph. +7 (383) 353-57-52, stanki@msibir.ru
Siberian Furniture, Ltd.	Furniture manufacture	630501, Novosibirsk region, Krasnoobsk settlement, CNSHB, offices 107-108	Ph. +7 (383) 48-66-24, sibmeh@sibmeh.ru
Siberian Italian Project, Ltd.	Manufacture of kitchen and cabinet furniture	644031, Omsk, Zvezdova St., 128	Ph.: +7 (3812) 36-91-99, 36-90-99, fomin@omsknet.ru
Siberia-Style, Ltd.	Manufacture of cabinet furniture	633010, Novosibirsk region, Berdsk, Lenina St., 89/1	Ph. +7 (38341) 6-12-50, sib-stil@yandex.ru
Sidak SPb, Ltd.	Furniture manufacture	188330, Leningrad region, Gatchinsky district, Siversky settlement, Zavodskaya St., 9/2	Ph./Fax: +7 (81371) 45-115, (812) 702-55-55, info@sidak.biz, www.sidak.ru

Name	Activity	Address	Contacts
SKM-Mebel, Ltd.	Production of furniture drafts	630071, Novosibirsk, Vtoraya Stantsionnaya St., 40, office 202	Ph. +7 (383) 360-04-17, tdkm@online.nsk.ru
Skyland	Manufacture of office furniture	107023, Moscow, Malaya Semyonovskaya St., 9, building 3	Ph. +7 (495) 981-31-69, Fax +7 (495) 775-00-28, info@skyland.ru, www.skyland.ru, www.bornmebel.ru, www.offix.ru
Sobranie, Ltd.	Furniture manufacture	127410, Moscow, Putyevoy Ave., 3, office 1004	Ph.: +7 (495) 225-32-69, 900-41-56, ol_ygolok@mail.ru, www.ygolok.ru
Soft Furniture Plant, Ltd.	Furniture manufacture	644029, Omsk-29, PO Box 430	Ph. +7 (3812) 63-11-55
Soft Line, Ltd.	Furniture manufacture	606440, Nizhny Novgorod region, Bor, Fomina St., 4	Ph. +7 (83159) 2-12-41, softl@sandy.ru, www.mebel-s.com
Soyuzstroydetal TPK, Ltd.	Manufacture of kitchen furniture. Sale of table tops, false panels, plinths, particle board and MDF	117405, Moscow, Dorozhnaya St., 60Б	Ph.: +7 (495) 799-91-71, 799-91-70, contact@ssd.su, www.ssd.su
Stanley	Furniture manufacture	680013, Khabarovsk, Lenina St., 65	Ph. +7 (4212) 42-55-11
STD Plus, Ltd.	Furniture manufacture	188330, Leningrad region, Syversky settlement, Zavodskaya St., 9	Ph.: +7 (81371) 4-47-87, 4-48-86, stdplus@gtm.ru
Stella	Furniture manufacture	187342, Leningrad region, Kirovsk, 2 nd km of Mginsky Highway	Ph. +7 (81362) 2-04-52, stella-pro@rambler.ru, www.stella-meb.ru
Swedwood Tikhvin, Ltd.	Furniture manufacture	187500, Leningrad region, Tikhvin, Shvedsky Ave., 15	Ph. +7 (812) 331-10-20, Fax +7 (812) 331-10-21, info@swedwood.ru
Terminal Furniture Plant Ltd.	Manufacture of soft, cabinet and glass furniture	195257, St. Petersburg, Vavilovkyh St., 13	Ph.: +7 (812) 702-72-80, 555-68-28, shop@fabrika-terminal.ru, shop@fabrika-terminal.spb.ru, www.terminal-shop.ru
Tim, Ltd.	Production of semifinished articles	630087, Novosibirsk, Sibiryakov Gvardeyev St., 49A, PO Box 43	Ph. +7 (383) 344-60-54, timsib@yandex.ru
Tri-da Group, Ltd.	Manufacture of cabinet furniture	125480, Moscow, Vilisa Lazisa St., 42, App. 390	Ph. +7 (495) 781-96-88, 3-da@3-da.ru, www.3-da.ru
Twelve Chairs, Ltd.	Manufacture of cabinet furniture	655010, Abakan, Kirova St., 255, PO Box 555	Ph.: +7 (390-2) 28-52-20, 23-77-23, info12st@inbox.ru
Verona Cucine	Manufacture of furniture for living spaces	125413, Moscow, PO Box 26	Ph.: +7 (495) 995-58-58, 601-95-30, info@verona-cucine.ru, www.verona-cucine.ru
Versailles, Furniture Plant	Furniture manufacture	656015, Barnaul, Sotsialisticheskyy Ave., 109	Ph.: +7 (3852) 66-67-77, 35-08-01, souz@yandex.ru
Vidi Art, Ltd.	Furniture manufacture	644024, Omsk, Bukhgołtsa Square, 1A	Ph. +7 (3812) 27-29-28, vidiart@yandex.ru
Viktoria Mebel, Ltd.	Furniture manufacture	644034, Omsk, Dvatsat Shestaya Severnaya St., 13A	Ph. +7 (3812) 79-72-60, viktoria-mebel@mail.ru
Vimis, Ltd.	Manufacture of furniture for offices and kitchens	195252, St. Petersburg, Nauki Ave., 30/1	Ph. +7 (812) 298-16-88, Fax +7 (812) 555-49-81, vimis@vimis.ru, vimis77@yandex.ru, www.vimis.ru
Vista, Ltd.	Production of tables and chairs. Gross and retail trade	123098, Moscow, Rogova St., 24	Ph.: +7 (495) 942-05-00, 942-05-01, vista@vistamebel.ru, www.vistamebel.ru
VITRA Trade House, Ltd.	Furniture manufacture	634021, Tomsk, Frunze Ave., 152, office 512	Ph. +7 (3822) 52-37-57, vitra@vitra.tomsk.ru, www.vitra.tomsk.ru
Vladimir & Co., Furniture Plant	Manufacture of furniture from solid wood	198096, St. Petersburg, Doroga na Torukhtanniye Ostrova, 14	Ph. +7 (812) 335-75-93, tnvik@mail.ru, www.dizain-mebeli.ru
Wintex	Furniture manufacture	630075, Novosibirsk, Dusi Kovalchuk St., 378A	Ph. +7 (383) 236-03-31, wintex@ngs.ru, www.wintex-mebel.ru



Main Enterprises of the Pulp-and-Paper Industry

Name	Activity	Address	Contacts
A.S.G.A., Ltd.	Production and sale: cardboard sleeves, bushes, patterns, bobbins for spiral wrapping	105215, Moscow, Konstantina Fedina St., 1/2, office 5	Ph. +7 (495) 506-06-47, Fax +7 (495) 163-78-83, asga@narod.ru, www.asga.narod.ru
Adischevo Paper Mill, Ltd.	Sanitary paper production	157921, Kostroma region, Ostrovsky, Adischevo settlement, Dzerzhinskogo St., 1	Ph. +7 (4943) 82-64-13, Fax +7 (4943) 83-12-19
Agon. Ltd.	Paper, technical paper and cardboard production	404120, Volgograd region, Volzhsky, Sovetskaya St., 41, office 61	Ph.: +7 (8443) 27-12-58, 27-45-59
Agrotekhmash-stroyervice, CJSC	Manufacture and sale of paper products	420076, Tatarstan Republic, Kazan, Zalesny district, Zalesny St., 30	Ph.: +7 (843) 555-93-63, 555-93-53, Fax +7 (843) 555-93-65
AK BIT, Ltd.	Manufacture and sale of paper products	420059, Tatarstan Republic, Kazan, Dauruskaya St., 12A	Ph.: +7 (843) 277-80-89, 277-54-03
Alexandrovsky Paper Mill, Ltd.	Paper production for corrugating B-0 and B-1 marks	157926, Kostroma region, Ostrovsky, Alexandrovskoye settlement, Sovetskaya St., 2A	Ph.: +7 (4943) 83-12-03, 83-12-05, www.oooabf.ru
Aleksin's Paper-Cardboard Mill, CJSC	Production of cardboard for matchboxes and printing industry	301361, Tula region, Aleksin, Pobedy Sq., 19A	Ph.: +7 (4875) 34-18-88, 34-25-90, www.aleksinkarton.ru
Alstrom Kors, CJSC	Production of linear cardboard	197348, St. Petersburg, Bogatyryy Ave., 18/3	Ph. +7 (812) 329-88-33, www.ahlstromcores.ru
Altaikrovlya, CJSC	Production of corrugating tare with colorful print, cardboard and paper for corrugating, tissue and paper goods	658095, Altai, Novoaltaisk, Vagonostroitel'naya St., 9	Ph.: +7 (3853) 26-11-29, 26-11-58, office@altkrov.ru
Arkhangelsk Pulp-and-Paper Mill, JSC	Production of cellulose, paper, cardboard, fiberboard and paper goods	164900, Arkhangelsk region, Novodvinsk, Melnikova St., 1	Ph. +7 (8185) 26-31-23, info@appm.ru
Astrakhan Tare and Package Mill, Ltd.	Production of three-layer corrugated cardboard on Blondel Milspaun machines. Width leaf is 2,100 mm	414042, Astrakhan, Mosina St., 1, PO Box 36	Ph.: +7 (8512) 57-47-00, 57-41-57, aftu@astranet.ru
Astron Packaging, CJSC	Corrugated board, corrugated boxes and pallets production	613040, Kirov region, Kirovo-Chepetsk, head post office, PO Box 9	Ph. +7 (8336) 13-44-35
Avtel, Ltd.	Manufacture of school copybooks. Woodworking. Transporting	610912, Kirov, Tikhaya St., 9	Ph. +7 (8332) 50-46-15
Balakhinsky Paper Plant 'Volga', JSC	Paper production	606047, Balakhna, Gorkogo St., 1	Ph. +7 (83144) 4-10-10, Fax (83144) 4-10-11, sonin@volga-paper.ru
Balt-Cardboard, Ltd.	Corrugated board and cardboard tare production	236005, Kaliningrad, Kamskaya St., 25	Ph. +7 (4012) 65-41-73, Fax: +7 (4012) 44-21-73, 49-03-07, baltkarton@mail.ru
Baltic Cellulose, CJSC	Raw materials production for corrugated board manufacture. Paper for corrugating and cardboard for plain agars	197101, St. Petersburg, Kronverkskaya St., 23A	Ph.: +7 (812) 327-36-05, (921) 987-49-31, parygin@baltcell.spb.ru
Baryshskaya Paper Mill, Ltd	Paper production	445051, Samara region, Tolyatti, Marshala Zhukova St., 35, office 2	Ph. +7 (8482) 71-94-41
Beloyarsk Asbo-cardboard Mill, Ltd.	Asbestos cardboard and paper production	624030, Sverdlovsk region, Beloyarsky, Mira St., 4	Ph. +7 (3437) 72-17-02
Bereg North-West, Ltd.	Paper and cardboard production and sale	191186, St. Petersburg, Bolshaya Konyushennaya St., 29	Ph. +7 (812) 329-91-91
Bereg-NN, Ltd.	Production and sale of paper and cardboard	603081, Nizhny Novgorod, Kareiskaya St., 4	Ph. +7 (8312) 78-66-28
Bryansk Cardboard	Three-layer cardboard production (T22-T27), B and C flute, package production	241902, Bryansk region, Belye Berega settlement, Beloberezhskaya St., 1A	Ph.: +7 (4832) 71-40-48, 71-44-42, ext. 109, 103, (4832) 70-06-72, marketing department, Fax: +7 (4832) 71-40-34, 71-40-48, bryanskykarton@bk.ru
Bryansk Paper Mill, Ltd.	Production and sale of wrapping paper, paper for corrugating, cardboard, corrugated tare, paper bags and cardboard ribbon	241902, Bryansk region, Belye Berega settlement, Proletarskaya St., 1A	Ph.: +7 (4832) 71-40-07, 71-44-98, Fax.: +7 (4832) 71-45-07, 71-40-58, market@bumfabrika.ru, info@bumfabrika.ru

Name	Activity	Address	Contacts
Bryansk-Upak, Ltd.	Cardboard and corrugated box production	241035, Bryansk, Burova St., 20	Ph.: +7 (4832) 68-63-77, 68-61-26, 68-66-45, bryansktara@yandex.ru
Bumsnab, JSC	Corrugated cardboard and package production	603950, Nizhny Novgorod, Fedoseenko St., 6	Ph.: +7 (8312) 25-66-81, 22-17-53
Cardboard Plus, Ltd.	Production of corrugated boxes	196084, St. Petersburg, Parkovaya St., 6	Ph. +7 (812) 327-79-17, Fax +7 (812) 327-79-17, 33@kartonplus.com, www.kartonplus.ru
Cardboard-bindery mill, Ltd.	Paper goods and cardboard sale. Cardboard tare production	400120, Volgograd, Eletskaaya St., 587	Ph.: +7 (8442) 97-80-13, 97-80-06
Consys, Ltd., PTF	Paper-making machines, corrugated aggregates, wrapping machines and carrying-and-lifting equipment	198099, St. Petersburg, Promyshlennaya St., 42	Ph.: +7 (812) 325-36-53, 786-51-42, consys@consys.spb.ru, www.consys.ru,
Continentalinvest, Ltd.	Production and export of raw materials, timber, cellulose, cardboard and paper	121151, Moscow, Mozhaisky Val St., 85	Ph.: +7 (499) 973-11-59, (495) 933-19-64
Continental Management Timber Industrial Company, Ltd.	Timber-logging. Wood-processing. Pulp-and-paper. Wood chemistry	127051, Moscow, Malaya Sukharevskaya Sq., 12	Ph. +7 (495) 771-71-80, Fax +7 (495) 771-71-82, info@lpkkm.ru, DispSuch@lpkkm.ru, www.lpkkm.ru
Gofron, SC	Production of cardboard, corrugated cardboard and cardboard tare	142900, Moscow region, Kashir, Klubnaya St., 16	Ph.: +7 (4966) 92-08-56, 92-08-90
Gofrotara, Ltd.	Production and sale of corrugated board	241007, Bryansk, Fosforitnaya St., 1	Ph. +7 (4832) 28-55-96
Goznak, FGU	Pulp-and-paper. Production of special protected paper types	617060, Perm region, Krasnokamsk, Shkolnaya St., 13	Ph. +7 (3427) 32-81-99
Graphic, Ltd.	Paper and cardboard production and sale	180007, Pskov, Konnaya St., 35	Ph. +7 (8112) 56-85-58
Idokhton, Ltd.	Office paper production	617064, Perm region, Krasnokamsk, Shosseynaya St., 41	Ph. +7 (342) 294-58-10
Ifact, CJSC	Production of cardboard boxes, cardboard spacers, corrugating board tare and throwaway dishes	153021, Ivanovo, Suzdalskaya St., 1	Ph. +7 (4932) 38-64-28
Ilim Group	Timber-logging. Pulp-and-paper	191025, St. Petersburg, Marata St., 17	Ph. +7 (812) 718-60-50, Fax +7(812) 718-60-06, office@ilimgroup.ru, www.ilimgroup.com
Investlesprom, CJSC	Timber harvesting. Woodsawing. Woodworking: chipboard, fiberboard, construction plywood. Wooden construction. Pulp-and-paper	119180, Moscow, Brodnikov Lane, 4	Ph. +7 (495) 500-30-51, www.investlesprom.ru
Interpape, Ltd.	Paper goods, production	241004, Bryansk, Moscow Ave., 99A	Ph. +7 (4832) 64-42-51
Ivanovo's Technical Paper Mill, CJSC	Cardboard boxes	153000, Ivanovo, Podgornaya St., 12	Ph.: +7 (4932) 41-76-91
Izhmashprint, CJSC	Cardboard production and offset printing	426052, Udmurt republic, Izhevsk, Lesozavodskaya St., 23	Ph.: +7 (3412) 71-84-78, 71-28-78
Kaluga's Experimental Mill, JSC	Production of three-layer corrugated board and exclusive packages	248009, Kaluga, Grabtsevsky Highway, 75	Ph. +7 (4842) 59-45-16
Kama PPM, JSC (Investlesprom Holding)	Paper and cardboard goods' production	617060, Perm region, Krasnokamsk, Shosseynaya St., 11	Ph. +7 (34273) 3-34-88, 3-83-42, kcbk@permoline.ru
Kamenskaya Paper-Cardboard Mill, JSC	Production of corrugated board, paper for corrugating, board for plain agars and cardboard for printing industry	172110, Tverskaya region, Kuvshinov, Oktyabrskaya St., 5	Ph.: +7 (4825) 74-52-46, 74-44-56
Kartontara, CJSC	Cardboard and corrugated board production	385012, Adygei republic, Maikop, Profsoyuzny Lane, 2	Ph.: +7 (8772) 54-84-55, 54-92-58, 54-67-18
Kommunar	Paper production	188320, Leningrad region, Gatchinsky, Kommunar, Fabrichnaya St., 1	Ph. +7 (812) 460-10-95, marketing@kommunar.ru, www.kommunar.ru
Krasnoyarsky PPM	Paper and cardboard goods, production	660004, Krasnoyarsk, Bakinskikh Komissarov St., 8	Ph. +7 (3912) 64-89-87
Leda, CJSC	Paper and cardboard goods' production	300016, Tula, Pyataya Kryvoluchenskaya St., 5	Ph. +7 (4872) 40-76-25
Mondi Business Paper. Mondy Syktyvkar	Pulp-and-Paper: all types of activity inside of this branch	167026, Syktyvkar, Bumazhnikov Ave., 2	Ph.: (8212) 69-91-96, 69-99-58, Fax: (8212) 66-56-98, 69-90-37, www.mondigroup.com



Name	Activity	Address	Contacts
North-West Timber-Processing Company, CJSC	Production of office paper, offset paper, wallpaper, paper for corrugating and paper for parchment	190103, St.Petersburg, Obvodny Canal Embankment, 191	Ph.: +7 (812) 326-59-57, 327-56-16 www.szlk.ru
Novolyalinsky Paper Mill, Ltd.	Paper production: sack and wrapping paper, paper bags, water resistant cardboard 1.25-3.0 mm thick, paper for corrugating and cardboard for plain agars corrugated board	624400, Sverdlovsk region, Novaya Lyalya, Lenina St., 2	Ph. +7 (3431) 82-24-80
Okulovsky Bumazhnik, JSC	Paper goods' production	174350, Novgorod region, Okulovka, Tsentralnaya St., 5	Ph. +7 (8165) 72-38-51
Omya AG	Paper goods' production	107045, Moscow, Bolshaya Sukharevskaya Square, 16/18, office 309	Ph.: +7 (495)786-63-30, 786-63-35, nikanorov@home.ru, www.omya.com
Paper mill, Ltd.	Paper and cardboard processing	400120, Volgograd, Kariernaya St., 20	Ph.: +7 (8442) 97-56-89, 97-56-90
Papir, Ltd.	Production of paper for office equipment. Mini print shops	617060, Perm region, Krasnokamsk, Shosseinaya St., 43	Ph.: +7 (3427) 35-03-92, 34-10-71
Penzadekor, Ltd.	Pulp-and-Paper: production of ornamental paper for furniture industry	440606, Penza, Bumazhnikov St., 1	Ph.: +7 (8412) 59-49-01, 56-05-89
Perm PPM, JSC	Production of paper	614010, Perm, Klary Tsetkin St., 14	Ph. +7 (342) 263-90-90, Fax +7 (342) 263-92-50, pcbkc@pcbkc.perm.ru, www.pcbk.perm.ru
Polipax, JSC	Production of wrapping material for food substances (butter, yeast etc), label materials for food substance wrapping (sugar, spices etc), composite material for fridge units production, waxed material for foodstuff (sweets) and plastic boxes	644073, Omsk, Vtoraya Solnechnaya St., 31	Ph. +7 (3812) 71-16-88
Povolzhsky package mill, Ltd.	Packaging from combed micro corrugated board	443051, Samara, Olimpiyskaya St., 57B, Metallurgist stop	Ph. +7 (846) 930-83-00
Promtekhservice, Ltd.	Production of paper and egg boxes	443022, Samara, Zavodskoye Highway, 11	Ph. +7 (8469) 92-64-19,
Remas, Ltd.	Pulp-and-paper: production of self-adhesive labels	426011, Izhevsk, Votkinsky Highway, 186, PO Box 4692	Ph. +7 (3412) 93-50-30
Rostov's Cardboard Mill, CJSC	Paper and cardboard production	344000, Rostov-on-Don, Voroshilovsky Ave., 6	Ph.: +7 (8632) 62-05-19, 62-50-12
Rostovpaper, CJSC	Pulp-and-Paper: production and sale of paper, cardboard, tissue and tare	344082, Rostov-on-Don, B. Sadovaya St., 1	Ph. +7 (8632) 40-24-62
Segezhsky PPM, JSC (Investment Holding)	Pulp-and-Paper: production and sale of paper, cardboard	186420, Republic of Karelia, Segezha, Zavodskaya St., 1	Ph.: +7 (81431) 34-573, 4-26-63, office@scbk.ru, www.scbk.ru
Sokolsky Paper Mill, JSC	Production of extrusion paper, wallpaper, copybooks, tissue, package, corrugated board, wood-fiber boards and cellulose	162130, Vologda region, Sokol, Sovetsky Ave., 8	Ph.: (8173) 39-21-00, 32-36-64, 32-36-47, 32-14-93
Solombala Paper Mill, JSC	Production of coniferous sulfate brown cellulose and wood-chemical products	163059, Arkhangelsk, Kirovskaya St., 4	Ph. +7 (8182) 67-96-79
Sozim, Ltd.	Electrode cellulose production	610004, Kirov, Zavodskaya St., 1	Ph.: +7 (8332) 36-28-83, 36-32-67
Stora Enso	Printing and high-grade paper production, wrapping cardboard and plank timber	119180, Moscow, Pervy Golutvinsky Lane, 3/5, building 1, 6 floor	Ph.: +7 (495) 935-76-60, 935-76-59, Fax +7 (495) 935-76-59, moskow@storaenso.com, www.storaenso.com
Striy-K, Ltd.	Paper and cardboard production and sale	420066, Tatarstan republic, Kazan, Soldatskaya St., 8	Ph. +7 (843) 518-57-57
Sukhonsky Paper Mill, Ltd.	Production of cellulose, cardboard, writing paper, fibreboard, wood-chemical products and paper products	162135, Vologda region, Sokol, Sovetskaya St., 129	Ph. +7 (8173) 33-23-05
Svetlograd Paper Mill, Ltd.	Paper napkins and toilet paper production	356530, Stavropol region, Svetlograd, Turgeneva St., 17	Ph.: +7(8654) 74-38-38
Svetogorsk, JSC (International Paper)	Pulp-and-Paper: all types of products	188991, Leningrad region, Svetogorsk, Zavodskaya St., 17	Ph. +7(81278) 43-504, irina.guseva@svetogorsk.com, www.internationalpaper.com

Name	Activity	Address	Contacts
Syassky PPM, JSC	Pulp-and-Paper	187420, Leningrad region, Syasstroy, Zavodskaya St., 1	Ph. +7 (81363) 5-64-44, Fax: +7 (81363) 5-30-82, 5-66-80, spb@syas.ru, sppm@syas.ru, www.syas.ru
Tambov Knit, Ltd.	Paper tare production	392003, Tambov region, Tambov, Enthusiastov Ave., 4	Ph.: +7 (4752) 53-44-80, 53-65-95
Tatprominvest, CJSC	Paper production and sale	420059, Tatarstan republic, Kazan, Rotornaya St., 9A	Ph.: +7 (8432) 78-93-56, 78-93-66
Technical Paper, JSC	Production of antirust wrapping paper, water-resistant wrapping paper, thermo-insulating cardboard and base for corrugating board. Technical paper and cardboard production and sale	152973, Yaroslavl region, Iskra Oktyabra settlement, Molodyozhnaya St., 20	Ph.: +7 (4855) 23-61-83, 23-61-81
Trial Plus, CJSC	Tissue production	658087, Altai region, Novoaltaisk, Udarnikov St., 2	Ph. +7 (3853) 24-76-89
Turinsky Leskhov, OGU	Forestry and paper production	623900, Sevdlovsk region, Turinsk, Nogina St., 79	Ph.: +7 (3434) 92-15-91, 92-16-71
United Pulp-and-Paper Mills	Pulp-and-Paper	249844, Kaluzhskaya region, Polotnyany zavod settlement, Trudovaya St., 2	Ph.: +7 (48434) 3-20-43, 3-38-24, mironova@pzbf.com
UPM-Kymmene, Ltd.	Timber-logging. Wood sawing. timber-processing. Pulp-and-paper	101000, Moscow, Pokrovsky Ave., 4/17, building 4A	Ph. +7 (495) 916-00-22, Fax +7(495) 917-41-23, Natalia.Malashenko@upm-kymmene.com, www.upm-kymmene.com
Velgiskaya Paper Mill, JSC	Production of corrugated cardboard, paper for corrugating, wrapping paper, paper goods and sawn timber	174400, Novgorod region, Borovichi, Kommunisticheskaya St., 20	Ph. +7 (8166) 43-76-78
Velikoluksky Corrugated Board, Ltd.	Corrugated board production	182105, Pskov region, Velikiye Luki, Shevchenko St., 17A	Ph.: +7 (8115) 35-79-22, 35-11-25, Fax +7 (8115) 35-79-22
Vizit, CJSC	Production of tare wrapping material	352700, Krasnodar region, Timashevsk, Yarmorochny Lane, 3	Ph. +7 (86130) 4-73-61
Volga, JSC	Newsprint production	606407, Nizhny Novgorod region, Balakhna, Pravdinsk micro-district, Gorkogo St., 1,	Ph. +7 (8314) 49-38-05
Vologda Production Association EKRA of the All-Russian Institute for the Blind, Ltd.	Production of cardboard, corrugated board, printing activity and paper goods	160019, Vologda, Chernyshevskogo St., 76	Ph.: +7 (8172) 54-00-17, 54-34-40, 54-08-83
Volzhskoye UPP VOS, Ltd.	Production of office paper goods, paper for multiplier, stock books, copybooks and folders	425000, Mari El republic, Volzhsk, Chapaeva St., 20	Ph.: +7 (8363) 16-20-39, Fax. +7 (8363) 12-13-05,16-32-92
Volzhskoye UPP VOS, Ltd.	Production of office paper	618547, Perm region, Solikmask, Volodarsky St., 2A	Ph. +7 (3425) 34-78-33
Vostok-Service, Ltd.	Production and sale of silicone tape, paper bags with silicone inner layer	420033, Tatarstan republic, Kazan, Kulakhmetova St., 5A	Ph.: +7 (8435) 42-47-52, 43-16-00
Vyatka-Upak, Ltd.	Production and sale of corrugated board, corrugated board package, micro corrugated board and overprinting cardboard chrome ersatz, printing product	610006, Kirov, Severnoye Koltso St., 50	Ph. +7 (8332) 36-40-83
Vyborgskaya Cellyuloza, JSC	Paper production	188918, Leningrad region, Vyborgsky district, Sovetsky settlement, Zavodskaya St., 1	Ph.: +7 (81378) 2-19-17, 7-47-78, email@vybcell.ru, www.vybcell.ru
Yaroslavsky Karton, Ltd.	Paper and different types of cardboard production. Chemical industry	150044, Yaroslavl, Oktyabrya Ave., 85	Ph.: +7 (4852) 73-30-73, 73-92-55, Fax (4852) 73-33-93, karton@yaroslavl.ru
Yenisey Paper Mill, Ltd.	Production of cellulose, cardboard, corrugated board, newsprint, paper for corrugating, wrapping paper, writing paper, wallpaper and paper goods	660004, Krasnoyarsk region, Krasnoyarsk, Bakinskikh Komissarov St., 26, 8	Ph.: +7 (3912) 64-90-12, 64-89-87, 64-99-77
Znanya, Ltd.	Production of office paper goods and cardboard	654033, Kemerovo region, Novokuznetsk, Nekrasova St., 18	Ph. +7 (3843) 37-89-04



Main Enterprises of the Bioenergy Industry

Name	Activity	Address	Contacts
Agraf, Ltd.	Procurement	107113, Moscow, Sokolnichesky Val St., 37/10	Ph. +7 (495) 727-28-61, zuev@agraf.ru, www.agraf.ru
Algir Pellets, Ltd.	Wood granules' production	168150, Komi republic, Noshul settlement	Ph. +7 (8213) 33-12-55, jamil@list.ru
Amandus Kahl GmbH & Co.KG (Representation in Moscow)	Turnkey plants for recycling of waste, wooden waste granulating and biomass	121357, Moscow, Vereyskaya St., 17, Business Center Vereyskaya Plaza, office 414	Ph. +7 (495) 644 32 48, Fax +7 (495) 644 32 49, info@kahl.ru, www.akahl.ru
Andritz Sprout	Lines for wood granules production, engineering, contract supervision, maintenance and servicing	Representation in Moscow	Ph.: +7 (495) 133-52-22, 133-27-10, ucca@inter.msk.ru, ucca@migmail.ru, www.andritzsprout.com
Baltklotomash, Ltd.	Production of boilers based on different types of fuel	192171, St. Petersburg, Sedova St., 57	Ph.: +7 (812) 320-90-78, 560-10-87, bkm@qhome.ru, www.cotlo-stroy.ru
Bioenergy, CJSC	Production of equipment for organic wastes recycling. Production of high quality energy resources	123022, Moscow, Novovagankovsky Lane, 9, building 2	Ph. +7 (495) 956-87-89, info@b-e.ru, www.bioenergetika.ru
Biogran-Alexandrov, Ltd.	Production of fuel wood granules	601613, Vladimir region, Maisky settlement, Pervomayskaya St., 8	Ph. +7 (495) 722-94-23, smallden@wwwcom.ru
BIOMAG Ecotechnologies, Ltd.	Design of plant for production of fuel granules. Production of fuel granules	660017, Krasnoyarsk, Lenina St., 118, office 705	Ph. +7 (913) 556-05-15, info@biomageco.com, www.biomageco.com
Bryanskantekhnika, JSC	Boiler and additional equipment production	241035, Bryansk, Pyatidesyatoy Armii St., 6	Ph.: +7 (4832) 52-72-70, 52-76-74, 53-53-71, brsantech@online.bryansk.ru, www.brsantec.ru
Buhler AG (Swiss Representation in Moscow)	Production of wood pellets	127422, Moscow, Timiryazevskaya St., 1-3, office 3402	Ph.: +7 (495) 611-09-47, 956-39-79, office.moscow@buhlergroup.com, www.buhlergroup.com
Center OVM, Ltd.	Boilers supply and servicing	125362, Moscow, Svobody St., 4, building 1	Ph.: +7 (495) 491-75-00, 491-98-77, 491-59-04, ovm@ovm.ru, www.ovm.ru
Comfort Logic, Ltd. (Thermoconnect Company)	Boiling equipment, assembly of heating systems	111141, Moscow, Elektrodnyaya St., 11, building 1, office 24	Ph.: +7 (495) 781-92-09, 781-58-10, termo@thermoconnect.ru, www.thermoconnect.ru
Doza-Gran, Ltd.	Equipment for granulation lines of wastes of woodworking industry	603062, Nizhny Novgorod, Gornaya St., 11-2, office 6	Ph. +7 (831) 413-64-89, doza-gran@mail.ru, www.doza-gran.narod.ru
DSL, Ltd.	Supply of boiling equipment and fuel granules	614000, Perm, Malkova St., 26, office 174	Ph. +7 (9128) 88-09-52, topset@inbox.ru, www.biotop.perm.ru
Ecodrev Tver	Production of heat-and-power equipment	170517, Tver region, Kalininsky district, Vasilievsky Mokh settlement, Lenina St., 3	Ph.: +7 (4822) 38-21-81, 38-21-82, ekodrev@bk.ru, www.ekodrev.ru
Eco-Energy, CJSC	Production of equipment for wood. Production of fuel granules	620034, Yekaterinburg, Bebelya St., 17, office 502	Ph.: +7 (343) 222-21-31, 381-87-42, zao@eco-en.ru, www.eco-en.ru
Ecoles, Ltd.	Production and sale of fuel granules	127006, Moscow, Dolgorukovskaya St., 11, building 2	Ph.: +7 (495) 781-65-83, 781-65-84, (903) 612-75-83, info@ecoles-pellets.ru, www.ecoles-pellets.ru
Ecoross, Ltd.	Supply of boiling equipment, pellets' production	603094, Nizhny Novgorod, Yubileyny Ave., 32	Ph.: +7 (831) 229-04-04, 229-04-64, ecoross-pellet@mail.ru, www.ecoross.com
Ecotech, Ltd.	Production of wood fuel granules	187740, Leningrad region, Podporozhie, Mekhanichesky Ave., 9	Ph. +7 (8136) 52-03-00, ecotech@itagroup.biz
EcoTeko, Ltd.	Sale of boilers and fireplaces based on pellets. Production and sale of pellets	127453, Moscow region, Mytischinsky district, Novaya Nagornaya St., 1, building 1	Ph. +7 (910) 413-91-41, ekoteko@yandex.ru, www.ekoteko.ru
Ekoterm, Ltd.	Production, assembly and commissioning of heat-and-power equipment	454077, Chelyabinsk, Khokhriako St., 12A	Ph. +7 (351) 773-92-86, ekoterm@bk.ru, www.ekoterm-chel.narod.ru
Energokaskad, CJSC	Small power engineering	105005, Moscow, Academica Tupoleva Embankment, 15/5	Ph. +7 (495) 741-70-34, energokaskad@energokaskad.com, www.energokaskad.com
TD Gnezdovo, Ltd.	Construction of mini-plants for pellets production and lines for fuel briquettes production	214013, Smolensk, Yunatova Lane, 13-136	Ph. +7 (4812) 42-46-49, ems-dnepr@mail.ru, www.e-m-s.ru

Name	Activity	Address	Contacts
GNC LPK TE, Ltd. (Head Scientific Timber Center)	Design of furnace plants, thermal power plants based on wood fuel	105120, Moscow, N. Syromyatninskaya St., 5, building 3A	Ph. +7 (495) 916-05-99, gncplpke@mail.ru, www.gncplpke.nm.ru
GranDarRos, Ltd.	Production of fuel granules	432072, Ulyanovsk, Festivalny Ave., 20	Ph. +7 (927) 271-62-64, grandarros@donet.ru
Green Hit, Ltd.	Supply of heating equipment. Pellets	454084, Chelyabinsk, Kirova St., 7A, office 602	Ph. +7 (351) 247-28-93, office@gh2004.ru, www.gh2004.ru
Greenlat Group	Production of fuel granules	344019, Rostov-on-Don, Sholokhov Ave., 115	Ph. +7 (863) 270-85-00, grinlat@aaaanet.ru
Heat Technologies, Ltd.	Boiling equipment: sale assembly and servicing. Granules supply	630049, Novosibirsk, Galuschaka St., 3, office 8	Ph. +7 (383) 216-16-41, teplotex@ngs.ru, www.teplotex.info
Hocker Polytechnik and Presto Pressen, Ltd.	Production of systems for wood waste utilization	129344, Moscow, Yeniseiskaya St., 1, office 302	Ph.: +7 (495) 780-63-23, 780-63-24, contact@hoecker.ru, www.hoecker.ru
Interteplo, JSC	Production of fuel granules. Production of equipment for fuel granules' manufacture	129226, Moscow, Dokukina St., 8, building 1	Ph. +7 (495) 796-67-14, bvr@happyday.ru
Kami-Stankoagregat, Ltd.	Manufacturing and supply of equipment	107023, Moscow, B. Semionovskaya St., 40	Ph. +7 (495) 781-55-11, www.stankoagregat.ru
Kimeh, Ltd.	Production of energy plants based on wooden waste	187110, Leningrad region, Kirishi, Pobedy Ave., 40	Ph. +7 (8136) 85-40-67, kimeh@yandex.ru, www.kimeh.ru
Komfort, Ltd.	Boiling equipment production	129128, Moscow, Mira Ave., 222	Ph.: +7 (495) 221-92-72, (985) 644-74-16, kazimirs@mail.ru, www.komforts-m.ru
Kommunenergo CRMM, CJSC	Boiling equipment production	610035, Kirov, Solnechny Way, 4	Ph.: +7 (8332) 52-68-09, 52-68-10, kommun@mail.ru, www.kommun.ru
Kotlomontazhservice, Ltd.	Projecting and supply of equipment for boilers	117209, Moscow, Bolotnikovskaya St., 52, office 4	Ph. +7 (495) 739-28-22, kotel@kotel.ru, www.kotel.ru
Kotloservice, Ltd.	Supply of boiling equipment	241050, Bryansk, Kalinina St., 98A, office 329	Ph.: +7 (4832) 68-07-39, 58-08-06, riti@list.ru, www.unikc.ru
Kovrov Boilers, Ltd.	Design and production of boiling equipment	601909, Vladimir region, Kovrov, Muromskaya St., 14, buildings 2-4	Ph.: +7 (4923) 26-16-96, 26-17-04, geysers@termowood.ru, www.termowood.ru
Kurgan's Machine-building plant, CJSC	Production of lines for granulation	640003, Kurgan, Koli Myagotina St., 41	Ph.: +7 (3522) 41-65-45, 44-91-32, 45-76-72, kmzmo@zaural.ru, www.kmzmo.ru
Lesenergo, CJSC	Boilers for wooden waste burning (design and launch)	127055, Moscow, Novoslobodskaya St., 20, building 6	Ph. +7 (495) 609-26-39, lesenergo@mtu-net.ru, www.lesenergo.ru
Nestro Lufttechnik, GmbH	Production of boilers based on biofuel and briquetting	127282, Moscow, Polyarnaya St., 41, building 1	Ph. +7 (495) 225-50-45, a.krisanov@nestro.net, www.nestro.net
New Equipment and Technologies, Ltd.	Design and supply of energetic equipment	660036, Krasnoyarsk, Academgorodok, 50, building 24, office 1-19	Ph. +7 (3912) 49-58-86, itp@icct.ru, www.kitp.nm.ru
NPK ATEK, Ltd.	Production of systems for wooden waste utilization	125154, Moscow, Leningradsky Ave., 47	Ph. +7 (499) 503-18-68, info@npk-atek.ru, www.npk-atek.ru
Penovskaya Timber Company, Ltd.	Production of fuel granules	172770, Tver region, Penovsky district, Peno settlement, Rodina St., 50	Ph. +7 (4823) 02-16-53
PKF MBK, Ltd.	Heating systems	129110, Moscow, Schepkina St., 58, office 329	Ph.: +7 (495) 684-58-33, 684-55-80, mbk@pkfmbk.ru
Poli-NOM, Ltd.	Manufacture of equipment for production of fuel granules	194223, St. Petersburg, Kurchatova St., 10	Ph.: +7 (812) 552-24-84, 552-96-51, poli-nom@poli-nom.ru, www.poli-nom.ru
Polytechnik	Boiler plants based on wood waste and biomass	Representation in Moscow	Ph. +7 (495) 970-97-56, dr_bykov_polytech@fromru.com, www.polytechnik.com
Portal, Ltd.	Projecting and kitting-up of biofuel plants and power plants based on biofuel	197183, St. Petersburg, Lipovaya Ave., 9, office 810-813	Ph.: +7 (812) 600-55-48, (960) 236-50-90, info@wood-pellets.com, www.wood-pellets.com
Razional, Ltd.	Production and supply of boiling equipment	141400, Moscow region, Khimki, Panfilova St., office 19	Ph. +7 (495) 783-68-47, info@razional.ru, www.razional.ru
Ronginskoye Peat-Briquette Enterprise, JSC	Production of peat and wood fuel granules and peat-briquettes	425416, Mari El republic, Sovetsky district, Ronga settlement	Ph. +7 (8362) 63-89-93, rontorf@mail.ru
RosPoliTechLes, CJSC	Production of fuel granules	196643, St. Petersburg, Tchaikovskogo St., 38, office 6	Ph.: +7 (812) 275-03-20, 275-03-21, info@rptg.ru
Russian National Biofuel Association	Union of renewable fuel (bioethanol and biodiesel) producers. Promotion of renewable fuel use in Russia	117312, Moscow, PO Box 54	Ph. +7 (495) 585-51-67, Fax +7 (495) 585-54-49, info@biotoplivo.ru, www.bioethanol.ru
Salma, Ltd.	Modernization of drying kilns	180000, Pskov, Oktyabrsky Ave., 14	Ph.: +7 (8112) 62-86-38, (921) 210-31-87, Salma60@mail.ru, www.pskosalma.ru
Salotti, Ltd.	Wood Production of fuel granules	197342, St. Petersburg, Vyborgsky Embankment, 61, office 415	Ph. +7 (812) 703-09-90
Samaralestoprom, JSC	Hard fuel sale	443015, Samara, Melnichnaya St., 1	Ph. +7 (846) 333-43-57
SIA Grandeg	Production of heating boilers based on wood granules	109456, Moscow, Ryazansky Ave., 77	Ph. +7 (499) 136-2728, tchigir@grandeg.ru, www.grandeg.ru



Name	Activity	Address	Contacts
Siberian Heat Company, Ltd.	Design and production of boiling equipment	625000, Tyumen, Tridtsat Let Pobedy St., 33, office 52	Ph. +7 (3452) 33-26-52, kolesnikova@sibtek.ru, www.sibtek.ru
SMP OKTAN, Ltd.	Pellets lines' production. Pellets equipment supply	620100, Yekaterinburg, Sibirsky Trakt St., 24A	Ph. +7 (343) 254-63-50, oktan@etel.ru, www.teplotopel.ru
Solombala Machine-Building plant, JSC	Boiling equipment production	163020, Arkhangelsk, Nikolsky Ave., 77	Ph. +7 (8182) 23-00-30, Fax +7 (8182) 23-00-44, info@smz.atnet.ru, www.smz.com.ru
Soyuz, Ltd.	Production, supply, assembly and servicing of heat-and-power equipment	601952, Vladimir region, Glebovo settlement, Zavodskaya St., 34	Ph.: +7 (4923) 22-34-32, 24-89-92, georg@kc.ru, www.georg.kovrov.ru
SPiCo, Ltd.	Production of equipment for biomass waste granulation, assembly and precommissioning	180680, Pskov, Novatorov St., 3	Ph.: +7 (8112) 52-07-07, 53-40-57, 53-10-57, sp-2@ellink.ru, www.ecology-energy.ru
Stankovik, Ltd.	Boilers supply	143006, Moscow region, Odintsovo, Soyuznaya St., 7	Ph.: +7 (495) 638-05-05, 638-05-15, info@stankovik.ru, www.stankovik.ru
Stoliarnye Masterskie, Ltd.	Production of fuel granules	117105, Moscow, Varshavskoe Ave., 28Ж	Ph. +7 (495) 127-68-70, stolar@tokc.ru, www.tokc.ru
Story-Marketing, Ltd.	Supply of equipment for production of fuel granules	190005, St. Petersburg, PO Box 32	Ph.: +7 (812) 316-07-08, 528-46-96, office@stroy-marketing.ru, www.stroy-marketing.ru
Teplogaz Enterprise, Ltd.	Supply of boiling equipment	620086, Yekaterinburg, Posadskaya St., 6, office 3	Ph. +7 (3433) 72-42-21, 2693537@mail.ru, www.teplogas.webhost.ru
Teplouniversal, Ltd.	Boilers' production	194156, St. Petersburg, Orbeli St., 19	Ph. +7 (812) 329-03-60, heatuniv@rol.ru, www.heatuniv.ru
Termoindustria, Ltd.	Reconstruction and construction of mini heat stations, boilers and fuel handling equipment	123592, Moscow, Kulakova St., 20	Ph. +7 (495) 781-92-09, info@tind.ru, www.tind.ru
Termo-Mir, Ltd.	Supply and assembly of heating equipment	140033, Moscow region, Lyubertsy, 55, PO Box 3	Ph.: +7 (495) 543-32-20, 502-87-50, mail@termo-mir.ru, 6455001@mail.ru, www.termo-mir.ru, www.kotlynasosy.ru
Termotekh, CJSC	Drying kilns. production	241035, Bryansk, Moscow micro district, 58, office 2	Ph.: +7 (4832) 68-67-12, 68-67-13, info@yasen.ru, www.yasen.ru
Thermax, Ltd.	Boiling equipment	117997, Moscow, Vavilova St., 69/75, office 906	Ph. +7 (495) 783-24-61, thermax-moscow@concord.ru, www.thermax-moscow.ru
Topgranmash, Ltd.	Production of fuel granules, production of equipment for production of fuel granules	119048, Moscow, Usacheva St., 11, building 33	Ph.: +7 (495) 775-06-65, 981-13-98, 937-65-57, info@topgran.ru, www.topgran.ru
Torex Group, Ltd.	Heating equipment supply	115054, Moscow, Schipok St., 22	Ph. +7 (495) 225-36-76, ofis1@glavteplotorg.ru, www.glavteplotorg.ru
TPM №5, JSC	Wood granules' production	121351, Moscow, Molodogvardeyskaya St., 61	Ph.: +7 (495) 417-20-15, 417-06-14, info@dok5.ru, www.dok5.ru
Tyumen Machine-Building Plant, JSC	Boiling equipment production	625014, Tyumen, Gilevskaya Roscha, 4-14	Ph.: +7 (3452) 52-22-62, 52-22-63, stankozavod@mail.ru, www.stankozavod.ru
Tyumen Pyrolysis Mill, CJSC	Production of wood charcoal, activated charcoal and wood-charcoal briquettes	625517, Tyumen region, Tyumen district, Parenkina village	Ph. +7 (3454) 170-70-25, zaotpz2005@mail.ru, www.piroлиз72.ru
Ulyanovsk Timber Plant, JSC	Fuel briquettes production	432055, Ulyanovsk, Seldinskoye Highway, 12	Ph. +7 (8422) 69-27-00, www.ulpk.ru
Ural Representative of the Bisky Boiler Plant, Ltd.	Sale, assembly and technical servicing of boiling equipment	620144, Yekaterinburg, Narodnoy Voli St., 39, office 214	Ph.: +7 (343) 379-33-64, 257-44-25, or@upbikz.ru, www.upbikz.ru
VEEK, Ltd.	Production of fuel granules	182100, Pskov region, Velikiye Luki, Gagarina Ave., 127A	Ph.: +7 (8115) 39-17-26, 39-11-61
Viessmann, Ltd. (Subsidiary in Moscow)	Biggest producer of heating systems	129337, Moscow, Veshnie Vody St., 14	Ph.: +7 (495) 775-82-83, 775-82-84, www.viessmann.ru
Volgoneftehim-montazh-Eco Tekh, Ltd.	Projecting, kitting-up, building, assembly, servicing of boilers	603950, Nizhny Novgorod, Alexeevskaya St., 26, office 415	Ph.: +7 (831) 218-25-99, 218-26-18, 278-47-84, 218-26-26, eko-tex@mail.ru, www.vnhm-et.nnov.ru
VologdaBioExport, Ltd.	Production of fuel granules	194044, St. Petersburg, Bolshoy Sampsonievsky Ave., 32	Ph. +7 (812) 324-11-87, info@vologdabioexport.ru, www.vologdabioexport.ru
Vologdalesprom Corporation, JSC	Production of fuel granules	160000, Vologda, Lermontova St., 15	Ph.: +7 (8172) 72-51-07, 72-22-95, vkles@vologda.ru, www.vologdalesprom.ru
Wärtsilä Vostok, Ltd.	Energy plants	191186, St. Petersburg, Shvedsky Lane, 2	Ph. +7 (812) 448-32-48, www.wartsila.ru
Weima (Representation in Russia)	Design and production of chipping equipment	141150, Moscow region, Losino-Petrovsky, Dachnaya St., 1, building 12	Ph. +7 (495) 775-27-12, info@weima.ru, www.weima.ru, www.weima.com

Companies Dealing with Pine Products Manufacture and Export

Name	Activity	Address	Contacts
Almis, PKP, Ltd.	Timber logging and lumbering from pine, birch and larch. Birch and aspen veneer blocks, production. Birch and pine plank timber manufacture. Export	610000, Kirov, Gertsena St., 21	Ph.: +7 (8332) 70-82-51, 70-82-52, almis@wd.kirov.ru, www.almiswood.com
Altailesprom, Ltd.	Manufacture and sale of pine, aspen, larch, cedar and birch moldings	656011, Altaysky Krai, Barnaul, Kalinina Ave., 15/4, office 15	Ph.: +7 (3852) 52-85-18, 39-87-71, amustang@list.ru
Altaysky Dom	Woodworking and furniture manufacturing (partition door blocks between rooms)	680030, Khabarovsk, Leningradskaya St., 23, office 16	Ph. +7 (4212) 38-17-46
ANGARA-1, Ltd.	Timber logging. Woodworking. Manufacturing of lumber from Angarian pine	664000, Irkutsk, Stepana Razina St., 27, office 703	Ph. +7 (3952) 21-17-86, angara-1@mail.ru
Charodeika, Ltd.	Pine and fir lumber, moldings and furniture shields manufacturing	157300, Kostroma region, Manturovo, Matrosova St., 2A	Ph.: +7 (4944) 62-84-01, 62-86-91, Fax +7 (4944) 62-89-17, mlestrans@mail.ru, www.lesprom.net
Cherepovetsles, LHK, JSC	Birch and pine plank timber-processing into lumber and millworks	162602, Vologda region, Cherepovets, Lenina St., 80	Ph.: +7 (8202) 22-12-30, 57-28-13, 51-84-53, info@cherles.ru, www.cherles.com
Forest-Grupp, Ltd.	Birch, Angarian pine and Siberian fir veneer manufacture	660048, Krasnoyarsk, Vtoraya Bryanskaya St., 55	Ph. +7 (3912) 29-64-90, forestgrupp@mail.ru, www.forestgrupp.ru
Gvardia, Ltd.	Timber logging and timber-processing. Coniferous and softleaved wood lumbering, including birch. Moldings and veneer board from birch manufacture	216330, Smolensk region, Elna, Lenina St., 23A	Ph.: +7 (4814) 63-31-7, 8 (910) 716-38-32, El-knv@yandex.ru, www.gvardia-elnya.narod.ru
Igirma-Tairiku, SP, Ltd.	Production of lumber from pine, larch. Technological wood chips' manufacturing	665685, Irkutsk region, Nizhneilimsky district, Vostochnaya St., 2\9	Ph.: +7 (3952) 26-09-55, 25-68-50, 26-09-90, post@igt.irtel.ru, www.igt.irtel.ru
Kodinsky Sawmill (Kodok)	Angarian larch and pine lumber production	663491, Krasnoyarsky krai, Kodinsk, Stroibaza	Ph.: +7 (903) 719-89-53, (909) 169-24-74, Natasha@kodok.krs.ru, www.kodok.ru
KrasnoyarskLeso-Materialy, CJSC	Timber-processing. Lumbering. Pine, larch, aspen, silver fir roundwood export	660049, Krasnoyarsk, Parizhskoy Kommuny St., 25A	Ph.: +7 (3912) 65-32-72, 23-63-66, 27-69-00, klm@online.ru, www.klm-co.ru
Kurleksky TPM, Ltd.	Timber logging. Pine lumbering	634029, Tomsk, Belinskogo St., 25	Ph.: +7 (3822) 56-51-28, 56-51-29, 56-51-30, info@klpk.ru, www.klpk.ru
Les Khakassii, Group of Companies	Timber logging. Timber-processing. Production of lumber from pine, Siberian larch, and cedar	655750, Republic of Khakassia, Abaza, Promyshlennaya St., 8	Ph.: +7 (3904) 72-81-11, 72-81-11, Lesprom-abaza@mail.ru, www.leskhakas.ru
Lesexport Novgorod, Ltd.	Forest products' sale: birch and coniferous mixtures, birch veneer logs, fir plank timber	173008, Veliky Novgorod, Magistralnaya St., 7A	Ph. +7 (8162) 94-00-24, lesexport@lesexport.net, www.lesexport.net
Lesnaya Kompania, Ltd.	Forest products' manufacture: plank timber, coniferous and birch mixtures, veneer board	618870, Perm region, Gornozaavodskoy district, Tyeplaya Gora settlement, Sovetskaya St., 75	Ph.: +7 (3426) 93-67-10, 93-67-11



Name	Activity	Address	Contacts
Lesnoe Prichulymye, JSC	Timber logging. Pine, birch, aspen, cedar, Siberian fir lumbering. Export of forest products	636942, Tomsk region, Pervomaisky district, Komsomolsk settlement, Zheleznodorozhnaya St., 40	Ph.: +7 (3824) 54-21-42, 54-21-10, 26-55-49, les_ksk@rambler.ru, www.lesomir.ru
Lesnoye zoloto, Ltd.	Lumbering from pine and larch. Production of moldings from aspen, pine, birch	640014, Kurgan, Promyshlennaya St., 21, building 1	Ph.: +7 (3522) 61-56-15, 56-93-61, www.lesnoezoloto.ru
Lesosibirsky LDK No.1, JSC	Furniture production. Angarian pine lumber production	662543, Krasnoyarsk region, Lesosibirsk, Belinskogo St., 16E	Ph.: +7 (3914) 52-13-02, 59-24-50, Fax +7 (4914) 52-16-97, lldk1@lldk1.ru, www.ldk1.ru
Lobva, Lesopromyshlennaya Compania, Ltd.	Timber logging. Lumbering. Coniferous timber export. Birch mixtures and birch veneer log manufacturing	624420, Sverdlovsk region, Lobva, Zavodskaya St., 4	Ph. +7 (3431) 83-11-09, lobva@mail.ru, office@lobva.ru, www.lobva.ru
Medvezhyegorsky Lespromkhoz, Ltd.	Timber logging. Fir and birch mixtures logging. Coniferous wood lumbering	186352, Republic of Karelia, Medvezhyegorsk, Zavodskaya St., 3	Ph.+7 (8143) 42-10-91, Fax +7 (8143) 42-49-50, office@mlph.onego.ru
Muromsky TPM (Arian Group of companies)	Birch, pine, fir lumbering. Furniture board from oak and birch massive manufacture	602265, Vladimir region, Murom-15, PO Box 443	Ph.: +7 (4923) 42-06-48, 49-19-78, derewo@hotmail.ru, arian@hotmail.ru, www.arian.hotmail.ru
Poles, JSC	Timber logging. Forest products from birch, aspen, pine manufacture and export. Plank timber manufacture	634000, Tomsk, Pushkina St., 61	Ph.: +7 (3822) 23-00-20, 58-60-70, sibinkom@inbox.ru, www.sibinkom.ru
RamLes, Ltd.	Pine, fir and other precious wood species lumber production. Glued beams and millworks' production	140002, Moscow region, Lyubertsy, Oktyabrsky Ave., 15	Ph.: +7 (495) 741-37-55, 984-75-52, ramles@ramles.ru, www.ramles.ru
Resurs-Mebel, Ltd.	Furniture manufacture from pine and birch	613046, Kirovo-Chepetsk, Rossii Ave., 13	Ph.: +7 (8336) 13-42-89, 13-42-72, 13-42-70, sosnova@mail.ru
Royal Wood (Swiss joint venture)	Woodworking. Manufacture of dressed timber from Siberian pine and larch. Construction and edge materials for interior and exterior trimming (euro floor, lining boards, moldings) manufacturing	664011, Irkutsk, PO Box 42	Ph.: +7 (3952) 20-08-67, 20-00-29
Ruslesprom, JSC	Roundwood export. Deep timber-processing. Angarian pine and Siberian larch lumbering	666685, Irkutsk region, Ust-Ilimsk-15, PO Box 833	Ph.: +7 (3953) 59-81-00, 59-81-01, inbox@ruslesprom.ru, www.ruslesprom.ru
Siberian silver pine management, LLC	Lumber and millworks manufacturing from Angarian pine and Siberian larch	665702, Irkutsk region, Bratsk, Gidrostroiteley St., 89A, PO Box 74	Ph. +7 (3953) 40-95-07, Fax: +7 (3953) 40-94-18, 40-94-19, sspm@mail.ru, info@ssp-m.ru, www.ssp-m.ru
Sibinkom, Ltd.	Timber logging. Timber-processing	630052, Novosibirsk, Tolmachevskaya St., 43/3	Ph. +7 (383) 303-18-76, info@steelwood.ru, www.steelwood.ru
Snabdtrev, Ltd.	Sale and transportation of coniferous lumber. Millworks' production	141400, Moskva region, Khimki, Leningradskaya St., 18A	Ph.: +7 (495) 573-85-10, 573-96-72, snabdtrev@lesomaterial.ru
Vologdalesexport, Ltd.	Timber logging. Forest products' sale and manufacture: coniferous and birch mixtures, veneer board	160035, Vologda, Lermontova St., 15	Ph.: +7 (8172) 72-92-48, 72-95-05, Fax +7 (8172) 72-91-93, les@vologda.ru
Zapkarelles, CJSC	Woodworking and timber logging. Forest products from pine, fir and birch roundwood manufacture. Export	186870, Republic of Karelia, Suoyarvi, Gagarina St., 28	Ph.: +7 (8145) 75-13-14, 75-14-44, post@zapkarelles.ru, www.zapkarelles.ru
Zavolzhye, Ltd.	Timber logging (pine, fir, birch, aspen). Lumbering from birch and coniferous wood. Solder pads for moldings connection manufacture	152901, Volgograd region, Rybinsk, Bolshaya Kazanskaya St., 26	Ph.: +7 (4855) 28-02-68, 8 (910) 663-82-15

Companies Dealing with Birch Products

Name	Activity	Address	Contacts
Altailesprom, Ltd.	Production and sale of molded units from pine, larch, cedar, aspen and birch	656011, Altai, Barnaul, Kalinina Ave., 15/4/15	Ph.: +7 (3852) 52-85-18, 39-87-71, amustang@list.ru
AVA Timber Company	Profound woodworking. Lumbering. Panel production (FJEG & Solid EG panels). Flooring boards and flooring beams manufacturing	644073, Omsk, Vtoraya Solnechnaya St., 57	Ph.: +7 (3812) 39-49-49, +7 (961) 880-12-55, Fax +7 (3812) 39-49-50, sales@RussianBirch.ru, www.RussianBirch.ru
Azimut, Ltd.	Lumbering and timber-processing. Birch veneer log production	216200, Smolensk region, Dukhovschina St., 100	Ph. +7 (4816) 64-24-54, www.smolazimut.ru
Baltwood, Ltd.	Sawn timber production. Export	191025, St. Petersburg, Povarskoy Lane, 5, App. 8	Ph. +7 (812) 715- 68-35, www.hardwood.ru
Belozerskles, Ltd.	Hardwood-processing and lumbering (including birch)	161200, Vologda region, Belozersk, Golanicheva St., 21B	Ph.: +7 (8175) 62-22-50, 62-13-71
Bin, Ltd.	Birch timber harvesting	424004, Mari El republic, Yoshkar-Ola, Komsomolskaya St., 79	Ph. +7 (9276) 80-89-70, Fax +7 (8362) 45-75-15, ooobin@mail.ru
Cherepovetsles LHK, JSC	Birch and aspen plank timber-processing. Birch and pine joinery	162602, Vologda region, Cherepovets, Lenina St., 80	Ph.: +7 (8202) 22-12-30, 57-28-13, 51-84-53, info@cherles.ru, www.cherles.com
Domoff	Production of sawn timber from deciduous and coniferous including birch. Timber sale: veneer log, birch and coniferous pulpwood, plank timber	610001, Kirov region, Kirov, Krasina St., 5/1	Ph.: +7 (8332) 54-67-40, 54-08-88, domoffkirov@mail.ru, www.domoff.info
Fancom, Ltd.	Production of birch plywood, birch shelled veneer and birch latoflex. Exporting	121609, Moscow, Rublyovskoye highway, 36-2, office 253	Ph.: +7 (495) 415-43-76, 415-43-26, info@fancom.ru, www.fancom.ru
Fanplast, JSC (Plywood Mill)	Production and supply of birch plywood and birch veneer	191119, St. Petersburg, Dnepropetrovskaya St., 8	Ph.: +7 (812) 764-10-94, 764-24-86, info@fanplast.sp.ru, www.fanplast.sp.ru
Forest Group, Ltd.	Veneer production from birch. Angarsk pine and Siberian larch	660048, Krasnoyarsk, Vtoraya Bryanskaya St., 55	Ph. +7 (3912) 29-64-90, forestgrupp@mail.ru, www.forestgrupp.ru
Geoprom NPF, Ltd.	Wooden wall PANECO boards production from birch, beech, oak, ash and pine	610913, Kirov region, Sadakovskiy settlement, Moskovskaya St., 2	Ph.: +7 (8332) 57-62-16, 57-62-19, geoprom@yandex.ru, www.kirovgeoprom.ru
Gvardia, Ltd.	Lumbering. Timber-processing. Sawn timber production from coniferous and deciduous kinds of wood including birch. Molded units, birch pulp wood and birch logs	216330, Smolensk region, Yelnya, Lenina St., 23A	Ph. +7 (4814) 63-31-78, Ph. +7 (910) 716-38-32 – sales department, El-knv@yandex.ru, www.gvardia-elnya.narod.ru
HardWood Trading	Birch plywood production	119019, Moscow, Bolshoi Afanasievsky Lane, 5/12	Ph.: +7 (495) 203-49-18, 695-04-53, hwt@ply.ru, fanera-hwt.ru
Intersib, Ltd.	Veneer sheet production	630333, Novosibirsk, Anikina St., 6, office 318	Ph. +7 (383) 347-39-25, wmb.mv2004@mail.ru, www.sibberez.ru
Investforest, Ltd.	Birch plywood production	424031, Mari El republic, Yoshkar-Ola, PO Box 30	Ph. +7 (8362) 72-64-26, Fax +7 (8362) 41-33-51, investforest_ltd@mail.ru, www.investforest.ru
KomplektStroi, Ltd.	Birch latoflex and ballast products production. Plywood and fiberboard supply	422540, Tatarstan republic, Zelenodolsk, Novostroitelnaya St., 40, office 202	Ph. +7 (8437) 14-44-45, Representation in Moscow: Ph. +7 (495) 646-12-84, info@komplekt-stroi.ru, kstroi99@yandex.ru, www.komplekt-stroi.ru
Krasnoyarsk Timber, CJSC	Wood-processing. Plank wood production. Round timber exporting (pine, birch, fir, silver fir and larch)	660049, Krasnoyarsk, Parizhskoi Kommuny St., 25A	Ph.: +7 (3912) 65-32-72, 23-63-66, 27-69-00, klm@online.ru, www.klm-co.ru
Krasny Jakor, CJSC	Birch plywood production	613152, Kirov region, Slobodsky settlement, Sovetskaya St., 132	Ph.: +7 (8336) 24-40-81, 24-35-34, 24-43-50, 24-40-74, 24-35-35, fanera@jakor.kirov.ru, www.jakor.kirov.ru
Lesexport, Ltd.	Lumber sale: coniferous and birch pulpwood, fir plank timber, birch veneer log	173008, Veliky Novgorod, Magistralnaya St., 7A	Ph. +7 (8162) 94-00-24, lesexport@lesexport.net, www.lesexport.net
Lesmash, Ltd.	Production and sale of birch veneer log, birch lumber and plank timber	156961, Kostroma, Komsomolskaya St., 4, office 58	Ph. +7 (4942) 37-18-30, ples1@kmt.ru, www.lesmashooo.ru



Lesnaia Company, Ltd.	Lumber production: plank timber, coniferous and birch pulpwood and veneer logs	618870, Perm region, Gornozavodskoi district, Tyoplaya Gora settlement, Sovetskaya St., 75	Ph.: +7 (3426) 93-67-10, 93-67-11
Lesnoe Prichulumye, JSC	Production of sawn timber from birch, aspen, pencil cedar and Siberian pine	636942, Tomsk region, Pervomaisky district, Komsomolsk settlement, Zheleznodorozhnaya St., 40	Ph.: +7 (3824) 54-21-42, 54-21-10, les_ksk@rambler.ru, www.lesomir.ru
Lesnoe Zoloto, Ltd.	Sawn timber production from birch and pine. Molded units from aspen, pine and birch	640014, Kurgan, Promyshlennaya St., 21, building 1	Ph.: +7 (3522) 61-56-15, 56-93-61, www.lesnoezoloto.ru
Lyubansky TPM, JSC	Birch plywood production	187050, Leningrad region, Tosnensky district, Lyuban, Seletskoye highway, 17	Ph. +7 (8136) 17-19-41
Logis-Trade, Ltd.	Sawn timber production from birch and coniferous wood. Wooden housebuilding	193231, St. Petersburg, Podvoiskogo St., 26/1/38	Ph.: +7 (812) 759-23-70, 958-05-63, logis-trade@mail.ru
Maiskles, JSC	Lumbering. Sawn timber production. Exporting of birch pulp wood and coniferous plank timber	613750, Kirov region, Murashinsky district, Bezbozhnik settlement, Pochtovaya St., 23	Ph.: +7 (8334) 82-28-55, 82-21-57, Fax +7 (8334) 82-28-35
Medvezhiegorsky Lespromkhoz, Ltd.	Lumbering: production of fir and birch pulpwood, coniferous Sawn timber	186352, Karelia republic, Medvezhiegorsk, Zavodskaya St., 3	Ph. +7 (8143) 42-10-91, Fax +7 (8143) 42-49-50, office@mlph.onego.ru
Muromsky DOK	Sawn timber production from birch, pine and fir. Furniture board from birch and oak	602265, Vladimir region, Murom-15, PO Box 443	Ph.: +7 (4923) 42-06-48, 49-19-78, derewo@hotmail.ru, arian@hotmail.ru, www.arian.hotmail.ru
Nelidovsky DOK	Production of birch plywood, glued timber and sawn timber	172500, Tver region, Nelidovo, Zavodskaya St., 7	Ph.: +7 (4826) 63-11-02, 63-11-39, 63-73-93, neldok@rambler.ru
North-Western Timber Company, Ltd.	Purchase and export of birch veneer logs. Birch, aspen, coniferous pulpwood and coniferous plank wood	199106, St. Petersburg, Vasilievsky Ostrov, Line 23, 2A, office 255	Ph. +7 (812) 324-32-90, info@rostimber.ru, www.rostimber.ru
Parfinsky Plywood Mill, JSC	Birch glued plywood production	175130, Novgorod region, Parfinsky district, Parfino settlement, Kirova St., 52	Ph.: +7 (81650) 6-11-80, 6-84-12, 6-84-85, Fax +7 (81650) 6-14-41, el@parfinofk.ru, www.parfinofk.ru
Petroneft-Biysk, CJSC	Sorted birch plywood production	659328, Altai, Biysk, Spichechny Lane, 5	Ph.: +7 (3854) 35-02-49, 24-25-61, pnb@mail.biysk.ru, www.fanera-biysk.ru
PKP Almis, Ltd.	Lumbering. Timber sale: birch, fir, and pine pulpwood, veneer log from birch and pine, deciduous plank timber incl. birch. Wood sawing for exporting	610000, Kirov, Gertsena St., 21	Ph.: +7 (8332) 708-251, 708-252, almis@wd.kirov.ru, www.almiswood.com
Plyterra, CJSC	Peeled veneer and plywood production from birch	431105, Mordovia republic, Zubovo-Polyansky district, Umot settlement, Leninskaya St., 1. Head office: 430027, Mordovia republic, Saransk, Gagarina St., 99A	Ph. +7 (8345) 83-65-99, office@plyterra.ru, www.plyterra.ru Ph. +7 (8342) 35-26-50
Poles, JSC	Lumbering. Timber exporting (birch, aspen, fir and pine pulpwood, coniferous plank timber)	196084, St. Petersburg, Moskovsky Ave., 148Г	Ph. +7 (812) 388-08-16, Fax +7 (812) 388-71-50, poles_spb@mail.ru
Production Firm Inzensky Woodworking Plant, Ltd. (Inzensky DOZ, LLC)	Production of birch plywood and birch veneer sheet. Woodworking	433030, Ulianovsk region, Inza, Zavodskaya St., 16	Ph.: +7 (8424) 12-47-09, 12-64-67, Fax +7 (8424) 12-44-61, info@inzadoz.ru, www.inzadoz.ru
Resurs-Mebel, Ltd.	Furniture production from birch and pine massive	613046, Kirov region, Kirovo-Cherepovetsk, Rossii Ave., 13	Ph.: +7 (8336) 13-42-89, 13-42-72, 13-42-70, sosnova@mail.ru, www.sosnova.ru
RosEkoLes, Ltd.	Production furniture: shield and cabinet furniture from birch	644073, Omsk, Vtoraya Solnechnaya St., 50	Ph.: +7 (3812) 71-35-36, 28-01-34, 51-58-04, rosekoles@mail.ru, rosekoles.ru
Rus, Municipal Undertaking	Production of birch pulpwood and birch Sawn timber	425295, Mari El republic, Kilemarsky district, Vizimiyari settlement, Novaya St., 24	Ph.: +7 (8364) 32-44-89, 32-45-49
Russian Plywood, Trading House	Production and supply of fiberboard, laminated veneer, OSB, coniferous and birch plywood	614095, Perm, Stakhanovskaya St., 4	Ph.: +7 (3422) 90-98-01, 90-97-77, 19-56-96, rusply@plywoodrus.ru, www.plywoodrus.ru

Safonofsky Logging Enterprise, Ltd.	Birch lumber production and sale for exporting	215500, Smolensk region, Radischeva St., 2, building 1	Ph. +7 (4814) 24-11-39, safonovalph@mail.ru
Severtara, JSC	Birch plywood production	162510, Vologda region, Kadui settlement, Zapadnaya St., 4	Ph.: +7 (8174) 22-18-36, 22-18-34, severtara@yandex.ru, www.severtara.ru
Siberian Timber-Processing Company, CJSC	Birch veneer production	644046, Omsk, Uchebnaya St., 119B, office 405	Ph. +7 (3812) 37-30-81, slk-shpon@mail.ru, www.slk-shpon.ru
Siberian Timber-Processing Company, Ltd.	Birch plywood production	644901, Omsk, Beregovoi micro-district, Irtyshskaya St., 1A	Ph.: +7 (3812) 98-20-22, 98-20-48, silesoprom@mail.ru, www.lpk.planetacentr.ru
Sibinkom, Ltd.	Lumbering, round timber-processing (birch, pine, fir and silver fir). Timber exporting	634000, Tomsk, Pushkina St., 61	Ph.: +7 (3822) 23-00-20, 58-60-70, sibinkom@inbox.ru, www.sibinkom.ru
TDN Les, Ltd.	Production and supply of furniture details and birch lumber. Exporting	125130, Moscow, Vyborgskaya St., 22, PO Box 278	Ph. +7 (495) 797-88-60, ext. 602, shuryshhev_e@mail.ru
TeploPlex	Supply of birch and coniferous plywood and chipboard products	109202, Moscow, Pervaya Frezernaya St., 2/1, building 10	Ph. +7 (495) 231-36-74, www.teploplex.ru
Timber-Processing Company, Ltd.	Lumbering: birch pulpwood, birch veneer logs. Sawn timber production. Exporting of coniferous timber	624420, Sverdlovsk region, Lobva, Zavodskaya St., 4	Ph.: +7 (3431) 83-11-09, +7 (3433) 72-17-90, 72-17-94, lobva@mail.ru, office@lobva.ru, www.lobva.ru
Tomsk Plywood Mill, CJSC	Plywood and birch veneer production	634003, Tomsk, Bakunina St., 26, office 106	Ph. +7 (3822) 66-07-62, officetpm@mail.ru
Transles, Ltd.	Lumbering and woodworking: coniferous, birch and aspen pulpwood, plank timber	188560, Leningrad region, Slantsevsky district, Gostitsi settlement, STO FERM building	Ph. +7 (911) 752-43-33, Fax +7 (813) 743-61-72, www.translesspb.narod.ru
Tyumen Veneer Mill, JSC	Birch plywood and veneer production	625005, Tyumen region, Beregovaya St., 109	Ph.: +7 (3452) 46-27-16, 46-23-31, 46-24-29, 46-44-25, 48-26-01, tumfk-tn@mail.ru, tumfk@sibtel.ru, www.tumfk.ru
United Panel Group, Ltd.	Production of wooden-board materials and birch plywood	123592, Moscow, Kulakova St., 20, building 1П	Ph.: +7 (495) 995-35-00, 995-35-10, 995-35-11, nr@upgweb.ru, www.upgweb.ru
Uralpromenergostroi, Ltd.	Production of furniture shield from birch. Bent- and glued-wood units from birch and wood-based laminated products	426008, Izhevsk, Karla Marxa St., 300A	Ph. +7 (3412) 60-60-50, uralprom@vostok.udm.ru, www.tdvostok.ru
Ust-Izhorsky Plywood Mill, JSC	Production of different kinds of birch plywood	196043, St. Petersburg, Pontonny settlement, Fanernaya St., 5	Ph. +7 (812) 462-20-89, Fax +7 (812) 462-20-97, Uifk.office@sveza.com
Verejsky Timber Mill, Ltd.	Lumbering: fir and birch	143330, Moscow region, Naro-Fominsky district, Vereya, Kaluzhskaya St., 48A	Ph.: +7 (4963) 46-70-25, +7 (916) 15-25-558, mail@goodles.ru, www.goodles.ru
Verkhneketsky LPK, JSC	Lumbering. Supply of the birch round timber. Exporting	Production: 636500, Tomsk region, Verkhneketsky district, Bely Yar settlement, Tajozhnaya St., 1Д Subsidiary: 634041, Tomsk, Komsomolsky Ave., 66, office 20	Ph.: +7 (3822) 26-58-90, 26-55-49, forestgroup@mail.ru, www.vlpk.tomsk.ru. Ph.: +7 (3822) 26-58-90, 26-55-49
Vologdalesexport, Ltd.	Lumbering: production and sale of coniferous and birch pulpwood and veneer logs	160035, Vologda, Lermontova St., 15	Ph.: +7 (8172) 72-92-48, 72-95-05, Fax +7 (8172) 72-91-93, les@vologda.ru
Zapkarelles, CJSC	Lumbering and woodworking: round timber from pine, fir, aspen and birch. Sawn timber: birch and coniferous. Exporting	186870, Karelia republic, Suoiarvi, Gagarina St., 28	Ph.: +7 (8145) 75-13-14, 75-14-44, post@zapkarelles.ru, www.zapkarelles.ru
Zavolzhie, Ltd.	Lumbering (birch, pine, fir and aspen). Production of birch and coniferous Sawn timber, molded units and solder pads for jointing production	152901, Volgograd region, Rybinsk, Bolshaya Kazanskaya St., 26	Ph. +7 (4855) 28-02-68, +7 (910) 663-82-15, Fax +7 (4855) 28-02-78
Zelenodolsky Plywood Plant, JSC	Birch plywood production	422541, Tatarstan republic, Zelenodolsk, Kooperativnaya St., 1	Ph. +7 (8437) 13-26-52, Fax +7 (8437) 13-26-22, sekr@zfv.ru, www.zfv.ru

MAJOR WORLD-WIDE EXHIBITIONS IN 2009

Date	Fair	City	Organizer/Location	Contacts
20-23 January	Construction and Architecture	Krasnoyarsk, Russia	Krasnoyarskaya Yarmarka Exhibition Center/ MVDC Siberia	+ 7 (391) 228-86-00, 228-85-58, krasfair@krasfair.ru, www.krasfair.ru
27-30 January	Architecture. Construction. Trimming Materials. Wood and Woodworking. Interior. Design. Vertical Transport	Novokuznetsk, Russia	Kuzbasskaya Yarmarka, CJSC/ Sport Palace of Novokuznetsk Metallurgists	+ 7 (3843) 46-63-72, 46-63-73, transport@kuzbass-fair.ru, www.kuzbass-fair.ru
14-17 February	Delhiwood 2009	New Delhi, Northern India	PDA Trade Media House	+91 (80) 255-13-081, 255-47-434, delhiwood@pdatradeairs.com, www.delhi-wood.com
29 February – 1 March	Legno & Edilizia	Verona, Italy	Piemmeti S.p.A.	+39 (49) 875-37-30, info@piemmetispa.com, www.piemmetispa.com
10-13 March	WOODBUILD 2009	Moscow, Russia	M-EXPO, JSC/Crocus Expo Exhibition Center	+ 7 (495) 956-48-22, 292-13-49, woodbuild@m-expo.ru, www.woodbuild.ru
10-13 March	Lespromindustria 2009	Nizhny Novgorod, Russia	Nizhegorodskaya Yarmarka, CJSC	+ 7 (831) 277-54-96, 277-55-89, 277-57-99, pressa@yarmarka.ru, www.yarmarka.ru
12-14 March	The World of Forest/Expo Forest	Moscow, Russia	Crocus Expo Exhibition Center, jointly with NCP Confederation of Associations and Unions of Timber, Pulp-and-Paper, Woodworking and Furniture Industries	+7 (495) 983-06-74, forest@crocus-off.ru, www.expoforest.ru; +7 (495) 230-69-25, expo@wood-way.ru, www.forestconfederation.ru
18-20 March	Ecology of a Big City. Waste Management: technologies and equipment. Water treatment. Air protection. Environmental services and equipment	St. Petersburg, Russia	Lenexpo, JSC/Lenexpo Exhibition Center	+ 7 (812) 321-27-18, 321-26-39, ecology@mail.lenexpo.ru, www.ecology.lenexpo.ru
18-20 March	Sibles. Woodworking	Novosibirsk, Russia	ITE Siberian Fair	+ 7 (383) 363-00-69, 363-00-36, korus@sibfair.ru, www.sibfair.ru
19-22 March	Wood Building/HOLZHAUS	Moscow, Russia	MVK International Exhibition Company, in conjunction with the Russian Association of Producers and Users of Wooden Glued Constructions/Crocus Expo Exhibition Center, Pavilion 1, Hall 1	+ 7 (495) 268-95-11, 268-99-14, 982-50-65, rta@mvk.ru, www.holzhaus.ru
23-25 March	Forum-Exhibition GOSZAKAZ 2009	Moscow, Russia	Ministry of Economic Development and Trade RF & Association of Moscow Businessmen/ Crocus Expo Exhibition Center	+ 7 (495) 258-00-26, 959-06-98, goszakaz@inconnect.ru, www.goszakaz.inconnect.ru
25-27 March	Bioenergy: exhibition and summit within the framework of the International Forum TEK	St. Petersburg, Russia	RESTEC Exhibition Company, SURVEY Marketing & Consulting S.L./ Lenexpo Exhibition Center	+7 (812) 320-80-93, 303-88-69, foodind@restec.ru, www.restec.ru/biofuel; (+34) 902-364-149, 972-355-314, info@biofuelsummit.info, www.biofuelsummit.info
25-26 March	Lesprom	Syktvykar, Russia	KomiEXPO Ltd./International Trade Center	+ 7 (8212) 20-61-21, 21-58-93, komiexpo@tppkomi.ru, www.tppkomi.ru
30 March – 1 April	International Wood Composites Symposium & Technical Workshop	Seattle, Washington, USA	Washington State University	+1 (509) 335-22-62, vyadama@wsu.edu, www.woodsymposium.wsu.edu
31 March – 2 April	Furniture-Interior 2009. UralLesDrevMash	Yekaterinburg, Russia	Uralskie Vystavky – 2000 Exhibition Union, Yekaterinburg International Trade Center	+ 7 (343) 370-33-74, 355-51-95, vystavka@uv2000.ru, www.uv2000.ru
31 March – 3 April	 DREMA 2009. International Trade Fair of Machines and Tools for the Wood and Furniture Industries	Poznań, Poland	Poznań International Fair, Ltd.	+48 (61) 869-20-00, 866-58-27, drema@mtp.pl, www.drema.pl
1-3 April	Forest and Woodworking	Arkhangelsk, Russia	Pomorskaya Yarmarka Exhibition Center, Ltd./Profsoyuzov Sport Palace	+ 7 (8182) 20-10-31, 65-25-22, info@pomfair.ru, www.pomfair.ru
2-5 April	UMIDS - Southern Furniture and Woodworking Salon	Krasnodar, Russia	Krasnodar EXPO, Ltd.	+ 7 (861) 210-98-93, 279-34-19, 279-34-75, mebel@krasnodarexpo.ru, www.krasnodarexpo.ru
9-12 April	Wooden House 2009	Moscow, Russia	World Expo Group Ltd./Expocenter Exhibition Center	+ 7 (909) 650-62-55, 650-62-57, weg@weg.ru, www.weg.ru
14-16 April	IV International Congress Bio-ethanol Fuel	Moscow, Russia	Russian National Biofuel Association (RNBA)/International Trade Center	+ 7 (495) 585-51-67, 585-54-49, congress@biotoplivo.ru, www.biotoplivo.ru
14-17 April	Lesdrevtech 2008	Minsk, Belorussia	Belexpo National Exhibition Center	+ 375 (17) 334-01-31, 334-24-13, kirya@belexpo.by, www.belexpo.by

Date	Fair	City	Organizer/Location	Contacts
15-17 April	LESTEKHSTROY 2009	Khanty-Mansi, Russia	Yugorskie Kontrakty Regional Exhibition Center	+7 (3467) 35-95-86, 36-30-10, Expo_energy@wsmail.ru, www.yugcont.ru
15-17 April	Furniture of the Year – 2009. Woodworking and Joiner's Production – 2009	Naberezhnye Chelny, Russia	EXPO-KAMA Exhibition Company	+7 (8552) 34-67-53, 35-92-43, 35-92-62, 35-90-44, Expokama1@bk.ru, www.expokama.ru
16-19 April	TEKHODREV. The Far East 2009	Khabarovsk, Russia	Khabarovsk International Fair, RESTEC Exhibition Company/V.I. Lenin Stadium	+ 7 (4212) 56-61-29, 56-47-36, director@khabexpo.ru, www.KhabExpo.ru
21-23 April	Woodshow 2009	Dubai, United Arab Emirates	Strategic Marketing & Exhibitions, Central, East & West Halls of Dubai Airport Expo	(+971) 428-29-299, 428-28-767, info@dubaiwoodshow.com, www.dubaiwoodshow.com
22 April	III International Congress Bioenergy 2009	Moscow, Russia	Ministry of Agriculture of RF, All-Russian Exhibition Center/ All-Russian Exhibition Center, Hall 55	+7 (495) 974-34-01, 748-37-70, bioenergetica@mail.ru, www.apkvv.ru
22-24 April	Alternative Energy - 2009	Moscow, Russia	Ministry of Agriculture of RF, All-Russian Exhibition Center/ All-Russian Exhibition Center, Hall 55	+7(495) 748-37-70, maximova@apkvv.ru, www.apkvv.ru, www.alt-energy.ru
April	Karelian Wood	Petrozavodsk, Russia	Euroforum Exhibition Center	+ 7 (8142) 76-83-00, 76-87-96, euroforum@karelia.ru, www.euroforum.karelia.ru
12-15 May	Lesdrevprom	Kemerovo, Russia	Expo-Siberia Exhibition Center/ Athletic Riding-school	+7 (3842) 36-21-19, 58-75-02, maslova@exposib.ru
12-16 May	EuroExpoFurniture/ EEM '2009 Intercomplex	Moscow, Russia	MVK International Exhibition Company/ Crocus Expo Exhibition Center, Pavilion 3	+ 7 (495) 268-14-07, 925-34-13, avn@mvk.ru, www.eem.ru
18-22 May	LIGNA	Hannover, Germany	Deutsche Messe	+7 (495) 629-26-57, 629-61-02, info@dm-expo.ru, www.hf-russia.com
19-22 May	LesTekh. Woodworking	Ufa, Russia	Ligas Commercial Innovation Center	+ 7 (347) 253-77-00, 252-39-88, 252-67-19, ligas@ufanet.ru, www.ligas-ufa.ru
24-27 May	IV International Symposium on Veneer Processing and Products	Espoo, Finland	Helsinki University of Technology and Finnish Forest Industries Federation	(+358) 9-451-42-62, www.isvpp.tkk.fi, isvpp@tkk.fi
26-29 May	City of the 21 st Century. Furniture. Woodworking-2009	Izhevsk, Russia	Udmurtia Exhibition Center/ Pavilion A: Izhstal Ice Palace, Pavilion B: FOC Zdorovye	+ 7 (3412) 25-44-65, 25-48-68, 25-48-33, gorod@vcudmurtia.ru, www.mebel.vcudmurtia.ru
2-9 June	Construction Equipment and Technologies 2009	Moscow, Russia	Crocus Expo Exhibition Center	+ 7 (495) 961-22-62, 203-41-00, info@mediaglobe.ru, www.mediaglobe.ru
3-5 June	VyatkaDrevMash	Kirov, Russia	Vyatsky Bazar & Co., Ltd./ Rodina Art Palace	+ 7 (8332) 24-19-38, 58-30-60, vbazar-k@mail.ru, www.vystavka.narod.ru
3-6 June	Elmia Wood 2009	Jöngköping, Sweden	Elmia AB	(+ 46) 36-15-20-00, per.jonsson@elmia.se, www.elmia.se/skogselmia
9-11 June	Woodworking	Kazan, Russia	Kazanskaya Yarmarka Exhibition Center	+ 7 (843) 570-51-11, 570-51-07, kazanexpo@telebit.ru, www.expokazan.ru
9-11 June	INTERMEBEL - 2009	Kazan, Russia	Kazanskaya Yarmarka Exhibition Center	+ 7 (843) 570-51-11, 570-51-07, kazanexpo@telebit.ru, www.expokazan.ru
9-11 June	Furniture Salon. Woodworking	Volgograd, Russia	VC Tsaritsinskaya Yarmarka/Sport Palace	+ 7 (8442) 26-50-34, 23-33-77, janna@zarexpo.ru, www.zarexpo.ru
16-19 June	TEKHODREV Ural. Povolzhye 2009	Perm, Russia	Permskaya Yarmarka Exhibition Company and RESTEC Exhibition Company/ Permskaya Yarmarka Exhibition Center	+ 7 (812) 320-96-84, 320-96-94, tekhnodrev@restec.ru, www.restec.ru/lpexpo-perm; + 7 (342) 262-58-29, 262-58-58, falinskiy@fair.perm.ru, www.fair.perm.ru
23-26 June	Interles	St. Petersburg, Russia	RESTEC Exhibition Company/ Lisinsky Forestry College, Lisino-Korpus, Tosnensky district, Leningrad region	+ 7 (812) 320-96-84, 320-96-94, wood@restec.ru, www.restec.ru/interles
15-18 July	AWFS	Las-Vegas, USA	AWFS	+1 (323) 838-94-40, ext. 14, www.AWFS.org
September	Siblesopolzovanie. Woodworking	Irkutsk, Russia	Sibexpocenter, JSC/ Irkutsk Exhibition Center	+ 7 (3952) 35-30-33, 35-43-47, 35-29-00, sibexpo@mail.ru, www.sibexpo.ru

MAJOR WORLD-WIDE EXHIBITIONS IN 2009

Date	Fair	City	Organizer/Location	Contacts
2-4 September	Wood and Bioenergy 2009	Juväskylä, Finland	Juväskylä Fair Ltd./Juväskulä Paviļjonki International Congress and Trade Fair Center	+358 (14) 334-00-00, 61-02-72, info@jklmessut.fi, www.jklmessut.fi
8-11 September	TEKHNODREV Siberia - 2009	Krasnoyarsk, Russia	Krasnoyarsk Fair Exhibition Company, RESTEC Exhibition Company/Siberia International Business & Exhibition Center	+ 7 (3912) 36-22-00, zarubin@krasfair.ru, www.krasfair.ru
15-18 September	Woodworking 2009	Minsk, Belorussia	MinskExpo, JSC	+ 375 (17) 226-91-93, 226-91-92, derevo@minskexpo.com, www.minskexpo.com
22-26 September	LesderevMash 2009	Kiev, Ukraine	ACCO International/ International Exhibition Center	+38 (44) 456-38-04, 456-38-08, olga@acco.kiev.ua, www.acco.ua
30 September-3 October	Forest Complex 2009. Woodworking. Log Cabins. Wooden Interiors	Yekaterinburg, Russia	Cultural and Health Sport Complex (CHSC), Russia	+7 (343) 347-48-08, 347-64-20, 222-63-73, expopsa@kosk.ru, www.kosk.ru
6-9 October	XI International Forestry Forum	St. Petersburg, Russia	RESTEC Exhibition Company/ Lenexpo Exhibition Center	+ 7 (812) 320-63-63, ext. 7468, tan@restec.ru, www.restec.ru
6-9 October	TEKHNODREV. Transles. Wooden Construction	St. Petersburg, Russia	RESTEC Exhibition Company/ Lenexpo Exhibition Center	+ 7 (812) 320-96-84, 320-96-94, tekhnodrev@restec.ru, www.restec.ru
6-9 October	IPPTF	St. Petersburg, Russia	RESTEC Exhibition Company	+7 (812) 320-80-97, ipptf@restec.ru, www.ipptf.com
7-9 October	Woodworking. Wooden house-building	Yekaterinburg, Russia	UralExpoCenter Exhibition Company	+ 7 (343) 379-32-32, 362-84-36, uralexpo@uralex.ru, www.uralex.ru
14-17 October	Furniture. Woodworking	Belgorod, Russia	Belgorod Chamber of Commerce and Industry/Belexpocenter Fairground	+ 7 (472) 258-29-51, 255-29-68, belexpo@mail.ru, www.belexpocenter.ru
29-31 October	Cozy House and Office. Furniture Technologies. Woodworking	Chelyabinsk, Russia	Eastern Gate, JSC	+ 7 (3512) 78-76-05, 63-75-12, expo@chelsi.ru, www.expo74.ru
29 October - 1 November	Wood Building/HOLZHAUS	Moscow, Russia	MVK International Exhibition Company, in conjunction with the Russian Association of Producers and Users of Wooden Glued Constructions/Crocus Expo Exhibition Center, Pavilion 2, Hall 7	+ 7 (495) 268-95-11, 268-99-14, 982-50-65, rta@mvk.ru, www.holzhaus.ru
17-20 November	TEKHNODREV Siberia 2008	Krasnoyarsk, Russia	Krasnoyarsk Fair Exhibition Company, RESTEC Exhibition Company/Siberia International Business & Exhibition Center	+7 (391) 228-85-58, krasfair@krasfair.ru, www.krasfair.ru
17-19 November	Wood. Woodworking. Windows. Doors	Tyumen, Russia	Tyumenskaya Yarmarka, JSC	+ 7 (3452) 48-53-33, 41-55-72, fair@bk.ru, www.expo72.ru
November	ZOW 2009	Moscow, Russia	RESTEC Exhibition Company, Survey Marketing + Consulting GmbH & Co., KG/Expocentr Exhibition Center	+ 7 (812) 320-80-96, 303-88-65, +7 (495) 544-38-36, zow@restec.ru, fidexpo@restec.ru, www.zow.ru
November	FIMMA - MADERALIA	Valencia, Spain	AFEMMA	+34 (902) 74-73-30, 74-73-45, ferivalencia@feriavalencia.com, www.feriavalencia.com
1-4 December	Woodex/Lestechprodukcija - 2009	Moscow, Russia	MVK International Exhibition Company/ Crocus Expo Exhibition Center	+ 7 (495) 925-34-13, 268-14-07, 995-05-95, v_v@mvk.ru, www.woodexpo.ru
December	Russian Forest 2009	Vologda, Russia	Forest Complex Governmental Department of the Vologda Region/ Russky Dom Exhibition Company	+ 7 (8172) 72-92-97, 75-77-09, 21-01-65, rusdom@vologda.ru, www.russkidom.ru
Dates to be determined	Pulp-and-Paper Industry of Russia and CIS - Conference of the Adam Smith Institute	Vienna, Austria	Adam Smith's Institute/ Marriott Hotel Vienne	+44 (20) 749-037-74, 750-50-079, www.russian-paper.com, www.adamsmithconferences.com

Dear readers! The list of exhibitions may change during the year. Please, request additional data from the organizers!

A complete list of exhibitions and detailed photo reports are available at www.LesPromInform.com

ALL ABOUT FOREST LANDS — YOU WILL PICK UP STRAIGHT IN HANDS!



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For six years, our Editorial Team has been successfully attaining informational support on the timber industry in the RF and the CIS countries. The prospects for the development of the national Timber Industry (TI), and the industry's image abroad, are of tremendous importance to us. We will do our best for our companies to develop and update their facilities in all TI sub-branches. Our editorial office is an information center, a connecting link between Russian equipment buyers and foreign suppliers, and between Russian exporters and international users of our raw materials and products.

OUR PROJECTS:

- Woodworking sectoral journal **LesPromInform** in Russian, leader among federal editions in the RF;
- Special exhibition newspaper **LesPromFORUM** in Russian;
- Analytical annual magazine **RUSSIAN FORESTRY REVIEW** for our international readers in English.

LesPromInform, a federal sectoral magazine for those associated with the TI, is our core product. Over six years, **LesPromInform** has become one of the most influential journals in the country, having won the recognition of specialists and experts at various levels: production supervisors, managers, TI company owners, researchers, lawyers, financiers, officials, legislators, etc.

WHAT ARE WE DOING TO PROGRESS?

Nothing special! Only highly-qualified information and well-planned distribution! We have covered all of the sub-branches of the Russian TI, starting with forest management, re-forestation, wood harvesting, woodworking, wood sawing, pellets' producing, wood drying, sawmilling, mechanical and chemical wood-processing, the pulp-and-paper sector, and wooden house-building. Additionally, we discuss 'hot topics' of the TI Complex development, and organize round tables at profile exhibitions. Among hot topics there are new Forest Code, problems of certification, the transportation of wooden materials, financial crisis, branch education, questions of leasing and credits for enterprises of the Russian TI, and scientific research articles in the field of new technologies. Each issue is devoted

to one of the Russian forest regions and contains all of the information about forests, mills and factories, profile associations, researching institutes, new projects and investments in this region. Such information can be useful if you are searching for dealers in Russia or conducting market research for your product's promotion. We also publish articles about the leading timber enterprises as examples of well-organized businesses. Enterprises like this might already be working successfully thanks to the equipment made by your company. If so, inform the Russian market about it, we are ready to help you promote your brands in Russia!

HOW ARE WE DOING IT?

First, by preparing attractive advertisements for your company, translating and publishing the technical articles to catch the attention of your potential clients. Then, we organize the distribution of our journal to find as wide an audience of readers as possible. 15,000 samples of **LesPromInform** will be waiting for your clients in their offices and in those of their partners and clients, profile associations, regional administration offices, institutes, and other educational centers; it will meet your clients during more than 80 timber fairs in Russia, CIS, Baltic countries, Europe, USA and Asia, seminars, conferences, etc. Your customers will be found!

Also, our website has a great amount of visitors from all over the world each day and all our journals are available in PDF format. So, we have not only the printed circulation, **but a 3 times wider audience in the Internet!**

We should add that **LesPromInform** is not only useful for your business. It is also a pleasure, since we take on many related matters. For example, the price of an ordered advertisement (see the price list on the next page) already includes artwork/layout design, translation into Russian, proofreading, bonus articles, and journalistic work. The magazine's editors, with their extensive contacts among Russian companies in the industry, can provide you with agent assistance, for instance in the sale of used equipment to particular mills, or, if desired, arrange a seminar on your technologies for potential customers in Russia. We know the market, and the market knows and respects

our magazine, therefore, apart from being an advertising/information resource, we can serve as event promoters, consultants, and intermediaries.

The **LesPromFORUM** newspaper is a successfully developed project, which is 3 years old. This is a useful publication specially **for Russia's largest exhibition events which is officially supported by its organizers.**

An exhibition is a complex product, which usually comprises, apart from the exposition itself, a business program including seminars, conferences, etc. The larger an exhibition is, the more it is laden with events of every kind, and practice shows that its market standing, in today's severely competitive environment, can be improved by making your exhibition-related program more sophisticated. Under such circumstances, the informational support of an exhibition event becomes especially important for maximum coverage of its guests as an audience. This is the main idea of the **LesPromFORUM** newspaper, which is published to suit a particular exhibition only, and in the number of copies to suit the expected number of professional guests (6,000 to 10,000). Inside you will find the organizers' greetings, the official program of events, a list of all participants, and maps of halls, presentation announcements, special offers by exhibitors and their profiles, and all kinds of useful analytical and reference information. The high printing quality of the publication (a full-color A3, from 16 to 34 pages newspaper printed on quality paper), and skillful distribution pattern (handed to EACH guest personally) have yielded maximum success. Our project has covered all of the major exhibition events in Russia, and the overall circulation of **LesPromFORUM** issues in 2008 was at least 28,000 copies.

This is a really great chance to get maximum access to market players in a particular region (in 2009 we publish the newspaper in Krasnodar, Krasnoyarsk, Moscow, and Vologda). Our newspaper is attractive in appearance, and useful for exhibition guests, as it contains the full program of events, a list of participants, interesting articles – and hopefully, your advertisement, which they simply won't be able to miss!

Therefore, to get high-quality massive PR at an exhibition that you find interesting, and to invite its guests to your stand or seminar, **LesPromFORUM** is your best and smartest opportunity! You will find a full schedule of issues and prices for the newspaper in our price list below.

RUSSIAN FORESTRY REVIEW project has become over 3 years the exclusive information resource in English about Russia's timber industry, and reliable Russian partner for western companies working in the forestry sector. The **RUSSIAN FORESTRY REVIEW** annual journal is also an opportunity to build bridges between foreign suppliers of equipment and services, purchasers, investors on the one hand and Russian authorities, large and medium forest businesses, Russian banks and industrial unions. This edition will be of interest to companies already working or planning to work in Russia or collaborate with Russian companies. **RUSSIAN FORESTRY REVIEW** will be a reliable intermediary and supplier of up-to-date and hard information about Russian forest industry. The significance and structure of the traditional themes, considered in the **RUSSIAN FORESTRY REVIEW** #3 (2008) you can esteem, reading the issue, which you're holding in your hands.

Working on the contents of issues RFR #1, RFR #2, and RFR #3 we did not aim to publish a global analytical review of the Russian TI all at once. We find it more efficacious to focus on the most crucial aspects of the Russian TI current development, not by trying to cover all of its sub-sectors, but giving all of the attention to a few. Any disadvantages of this approach is amply compensated for in each following issue, which follows at a rate of 1 per year.

PREVIOUS ISSUES OF RFR:

RUSSIAN FORESTRY REVIEW #2 (2007), with more than 240 pages of content, was issued in September 2007. It contained analysis of aspects of the modern system of state management of forest resources in Russia with the new Forestry Code coming into force, and the planned export duties on roundwood. In addition to this, there were presentations of new overviews of the furniture, logging, pulp-and-paper industries, bioenergy and sawn timber production. There were also detailed reviews of the regions: Krasnodarsky Krai, Khanty-Mansiysk Autonomous District, Volgograd, Sverdlovsk and Tyumen Regions.

The issue of the **RUSSIAN FORESTRY REVIEW** #1 (2006) was issued in May, 2006. The first number of the **RUSSIAN FORESTRY REVIEW** likewise included detailed review of the TI in various regions across Russia: Leningrad, Vologda, Arkhangelsk Regions and the Republic of Karelia. Systematized data about the position of the TI in the Russian economy were produced in the review, as well as information about the proportion of timber-processing products out of total production volumes, and about export of commercial timber.

The **PDF version** of the **RUSSIAN FORESTRY REVIEW** #1 (2006) is now free available for downloading on our web site!

We sincerely hope that our **RUSSIAN FORESTRY REVIEW** is interesting and useful for you. Please order issues RFR #1 (2006), RFR #2 (2007), and RFR #3 (2008) with our subscription form by using our web service: www.RussianForestryReview.com.

In addition, we will be happy to prepare informational materials especially for you. Tell us what aspect of the Russian TI you would like to see seriously reviewed, and such material will be sure to appear in our next issue!

Rates for Russian Forestry Review #4 (2009)



Circulation – 5,000 copies, periodicity – 1 time per year, volume – starting with 240 pages, format – A4, language – English.

Place for an Ad		Size (page)	Size (mm)	Cost (RF rubles)	Cost (Euros)
Cover	Inside front cover	2/1	430x285	296 000	8 000
	Inside front cover	1/1	215x285	222 000	6 000
	Inside back cover	1/1	215x285	222 000	6 000
	Back cover	1/1	215x285	296 000	8 000
	VIP-place Pages in front of: – the inside front cover, – content, – list of exhibitions	1/1	215x285	203 500	5 500
Pages inside	Double page	2/1	430x285	177 600	4 800
	Ad in VIP-block (first 20 pages of the journal)	1/1	215x285	166 500	4 500
		1/2	162x118	103 600	2 800
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1/2		162x118	74 000	2 000	

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		85 000	2 430	85 000	2 430	110 000	3 140	85 000	2 430	
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Pages inside	1/1 Page A3	56 000	1 600	56 000	1 600	84 000	2 400	56 000	1 600	
	1/2	Horizontal	35 000	1 000	35 000	1 000	54 000	1 540	35 000	1 000
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