FORESTRY OF THE REPUBLIC OF BASHKORTOSTAN

IGOR E. KAREPANOV
DEPUTY MINISTER OF INDUSTRY AND INNOVATION POLICY OF THE REPUBLIC OF BASHKORTOSTAN

с. Уфа, 2011
Priority Orientation for the Development of Forestry in the Republic of Bashkortostan

- Processing of low-grade timber and wood wastes;
- Production Development in Trans-Urals and The North-East Bashkortostan;
- Advanced timber processing;
- Production of new construction material;
Forest raw material Potential of the Republic of Bashkortostan

Forest covers 6.3 mln.ha of the Republic in total (i.e. 44.1% of total area). This includes 5.7 mln.ha of forest resource area and 0.6 mln.ha of other categories of land. Forest-land percentage is 39.8%.

The forests contain 764.7 mln.m$^3$ of tree plantation in total out of which 533.5 mln.m$^3$ (69.8%) are soft wooded plantings, 174.7 mln.m$^3$ (22.8%) – are coniferous plantings, 56.1 mln.m$^3$ (7.4%) occupied by hard wood plantings, 146.7 mln.m$^3$ – overmature forest.

70.8% of the total timber stock volume consists of commercial forest, which combines 71.9% of soft wooded plantings, 20.9% of coniferous and 7.2% of hard wood plantings.
Forests

- **Soft wooded (birch, lime-tree, aspen)**
  - 534 mln.cubic.m

- **Coniferous (pine, spruce, fir)**
  - 175 mln.cubic.m

- **Hard wooded (oak, elm, maple)**
  - 56.2 mln.cubic.m
Forestry Investment Zones

An annual estimated wood cutting area covers 9.6 mln.m³ as approved by Forests Management Procedures.

Act #196 issued by The Bashkortostan Government on May 31, 2010 approves The Forest Complex Development Program of Bashkortostan for years 2010-2013, which provides for major investors 6 forestry investment attractive zones for advanced timber processing. An annual volume of wood harvesting estimates 1.41 mln.m³
Zones:
Askinski - 250 thousand m$^3$
Baimakski - 253 thousand m$^3$
Bakalinski - 50 thousand m$^3$
Duvanski - 252 thousand m$^3$
Ishimbai - 394 thousand m$^3$
Yanaulski - 211 thousand m$^3$

The forestry zones mentioned above contain forestry and general type roads, some of them with asphaltic surface. The finished product can be dispatched by the available railway transport. Overhead electric lines have been installed. The longest haulage distance is less than 120 km.
Large plywood production by LLC «Ufa Plywod Mill» and «Ufa Ply and Plank Mill» (Bashkortostan; c.Ufa)
Project implementation Period: 2011-2013

LLC «Bashkirski Forestry Company»

Partnership possible for equipment deliveries

Investment Forecast: 1.25 Bln.rbls

Integrated revamping of the two Ufa plywood mills for the production of large-sized plywood

Pay back in: 61 months
Construction of Forestry Mill Complex (Bashkortostan; Beloretsk Region)  
Project implementation Period: 2011-2013

LLC «Bashkirski Forestry Company»

Partnership possible for equipment deliveries

Investment Forecast: 310 Mln.rbls

Production:  
Construction materials (decking, lining, floor boards, glued items, etc.), charcoal, fuel pellets, wood resin.  
Internal production of heat and power  
Pay back in: 55 months
Establishing a full cycle timber processing
(Bashkortostan, Beloretsk Region, Tirlyanski village)
Project implementation Period: 2010-2011

Production of:
Merchantable wood, woodfuel inclusive of:
- glued wooden goods
- rounded logs
- wood moldings
- industrial chips
- grain pellets
- pallets.

Pay back in: 5 years

LLC FIC (Forest Industry Complex) «SELENA
Project Cofinancing partnership possible

Investment Forecast:
2.1 Bln.rbls

Investment made so far:
309 Mln.rbls
Timber, wood boards and wood frame building Mill (Bashkortostan, Zilair Region)

Project implementation Period: 2010 - 2013

LLC «Voskhod»

Project Cofinancing and equipment deliveries partnership possible

Investment involvement: 2.1 Bln.rbls

Production volumes:
267 thousand m3 of wood products, 48 thousand sq.m of accommodation/year

Pay back in: 7 years
Production of wood boards, glued sheets and beams.
(Bashkortostan, Archangelsk Region)
Project implementation Period: 2010 - 2013

LLC «TECHMASH

Project Cofinancing and equipment deliveries partnership possible

Investment involvement: 3.0 Bln.rbls

Production of wooden boards, glued sheets and beams

Production volumes: 350 thousand m3/year

Pay back in: 6 years
INVESTMENT PROJECT IMPLEMENTATION AREAS FOR ADVANCED TIMBER PROCESSING

An operations site has been constructed in The Yanaul municipal for procurement of Bashkortostan and near by regions with modern products and rational usage of industrial wastes.

Raw material is planned to be reclaimed in the 2 forestry investment attractive zones with an annual timber harvesting volume of 450 thousand m³:

It is proposed to construct a new facility for the production of laminated chipboards, medium density fiberboard and OSB.
The following workscope has been complete for the Project: preparation of Design and Estimates documentation for the construction, land development, communication lines in place, asphalt road built, railway hub available 100 meters away, a 500 mWatt power substation installed, a gas distributing station available at a distance of 2 kms.

Juxtaposition Advantages:
- The *Gorki* railway haul located 100 meters northward;
- Republican asphalt-concrete *Shudek-Konigovo* road is passing 125 meters eastward.
Export oriented products

Major forestry producers are:

The basic products exported are:
- Birch plywood, fibre and chip boards, lumber, wood moldings, charcoal, forestchemistry products
The «Bashkirski Forestry Company» Holding is a multi profiled operations and trades company playing one of the leading roles on the forestry market of the Povolzhski and Ural Region in Russia. The products meets ISO 9001:2000 certificate requirements. The Holding is available for exporting:

Birch plywood *FK*
Birch plywood *FSF*
Plyboards *PF-A*
Unedged board
3 layer windows beam
Erection beam
Block-house
Lining
Floor boards *(dressed)*
Trimmer
Plinths

Woodfibre boards
Flakeboards
Charcoal
Wood charcoal bricks
Vinegar *(food/forest chemistry)* (70 %)
Leafe tree resin
Ethyl Ether of Vinegar acid – Ethyl acetate *(CH₃COOC₂H₅)*
LLC «Forestry company «SELENA» Production
Products ISO 9001:2000 certified

**Taruki**— planed dry beam
Sizes:
25-60x25-60x3000-6000

**Mabashira**— planed dry board
Sizes:
30x105/120x3000-6000

Capping beams glued
Sizes:
150-200x100-150x6000-12000

Indicative price on FCA Beloretsk station (Incoterms 2000):

- **Taruki**—360-400 USD
- **mabashira**— 270-300 USD
- **beams glued**— 550-600 USD
Partnership Prospects

Project: Construction of forestry complex and Production of large sized plywood at LLC «Bashkirski Forestry company» - Delivery of Japan made equipment;

Project: Creation of a full cycle timber processing operations (LLC «FIC «SELENA») – co-financing partnership;

Project: Integrated company to produce lumber, OSB boards and wooden housing frames (LLC «Voskhod») – Project co-financing and equipment deliveries partnership;

Project: Production of wood boards, glued boards and beams, (LLC «TECHMASH») - Project co-financing and equipment deliveries partnership;

Project: Investment project implementation areas for advanced timber processing
– Establishment of Operations, co-financing;

End products are purchased by entrepreneurs from Japan.