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Russian Forestry News Update Последние известия российской лесной промышленности

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Lena's stone forest

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2009 Results of Sawlog Market

Global sawlog prices started to move up in the fall after having reached a bottom in many markets earlier this year. The recent upswing has been the result of a tighter log supply but also because of improved operating rates at many sawmills in both the US and Europe. The US, the Nordic countries, Central Europe, the Baltic States and Russia have experienced the largest price increases (in the local currencies) over the past six months.

The Global Sawlog Price Index (GSP), which is based on conifer sawlog prices in 19 key regions worldwide, was US\$73.30/m³ in the 3Q, up 7.6% from the previous quarter, as reported by the Wood Resource Quarterly. Much of the increase was because the US dollar weakened against most currencies in the WRQ regions, but there were also higher log prices in Europe in the local currencies. Despite the recent increase in the GSP Index, it is still 15% lower than a year ago and 20.3% below the all-time-high in the 4Q/07.

The biggest declines in log prices (in US dollar terms) since the peak in early 2008, have occurred in the Baltic States, the Nordic countries and in Western North America. In these regions, prices are now more than 25% below their all-time highs. Log prices in the US South, Central Europe, Latin America and Oceania have fallen relatively less and are currently 5-10% below their peak about 18 months ago.

Log prices have probably reached their bottom in this cycle last spring and it can be expected that they will continue the recent upswing in 2010 because of increased demand for lumber in the US, Europe, Asia and Latin America. So far this year, Europe, Northern Africa and China have been some of the most rapidly growing markets for lumber exporters and this trend is likely to continue into next year.

There is also some good news coming out of Russia. Lumber exports increased slightly in 2009 compared to 2008 and might reach the third highest level on record. This is mostly thanks to the high demand for lumber in China. Softwood lumber shipments to China have been up almost 60% this year. The strong export lumber market has mostly benefited sawmills in Siberia and the Russian Far East.

Informational resource: Lesprom Network and Wood Resources International

Approved criteria for voluntary environmental certification of real estate in the light of international experience in the application of "green" standards

Approved criteria for voluntary environmental certification of real estate in the light of international experience in the application of "green" standards. The corresponding decree was signed by Minister of Natural Resources and Ecology of Russia, Yuri Trutnev.

The criteria developed by the Working Group of Experts Natural Resources Ministry of Russia, which was composed of representatives of the Committee on Education and Science Council of the Federation, the Institute of Ecology and Evolution. Severtsova RAN, Greenpeace Russia, Moscow State University, MV University, Federal Central Office of Information, Ministry of Natural Resources of Russia and others

According to the developed criteria (requirements) in the construction shall be provided for the environmental protection measures to prevent pollution during construction and operation of the property, construction site must be located outside the industrial and utilities, sanitary protection zones and business areas identified as habitat for species of flora and fauna, which are included in the lists of endangered species or species that are endangered (Red List).

Also, the construction organization should take into account the need for Landscape Spatial, minimizing light pollution, water management, energy conservation, etc.

According to the Director of the Department of State policy and regulation in the field of

environmental protection and ecological safety of Russia Rinat Gizatulin Ministry of Natural Resources, the approval criteria is the first step in creating a national "green" standard in construction. Further planned to establish a voluntary environmental certification of real estate.

"The system of certification will allow the Russians to have an idea of the environmental real estate and property developers will have tools to effectively reduce the impact of real estate on the environment", - said R. Gizatulin.

The construction of "green standards" is the construction of buildings on such technologies, the use of which ensures minimal impact elements of the building erected on the nature of the efficient use of water and electricity, the use of alternative energy sources, innovative technologies, the use of environmentally friendly building materials.

Development and validation of a voluntary national standard for environmental certification of real estate, as it became known portal WOOD.RU, are also associated with the need to protect the environment during construction and operation of Olympic venues, forming postolimpiyskogo heritage.

Ministry of Natural Resources and Ecology of Russia calls on all concerned organizations to join in this work.

[Informational resource: wood.ru](http://wood.ru)

Hekotek to win the Russian market: new order from Siberia for pellet plant.

November 2009 AS Hekotek (Estonia) and Novoeniseysk LKhK (Russia, Krasnoyarsk area) signed an agreement on construction of a pellet plant with sawmilling wastes to be used as a raw material. The plant is to be launched summer 2010.

Today Novoeniseysk LKhK is one of the largest sawmilling and woodworking enterprises in Russia with annual output making up 500 thousand cubic meters of sawn timber. There is also a line for fiberboard production from sawmilling wastes (20 mln sq. meters per year). Currently part of the sawmilling wastes is to be used for pellet production. It is explained by both reduced fiberboard sales markets (an advanced fiberboard mill is to be launched in the region this year) and increased demand for pellets all over the world and in Russia, in particular.

We asked Alari Roosi, Hekotek project manager, about order from Russia.

Today Hekotek has delivered several pellet plants in Russia. Does the current plant significantly differ from the ones already operating in Russia?

Right, it is not the first time Hekotek has been a general contractor in realization of projects on construction of pellet plants in Russia. As a rule within the framework of a project we deliver our machinery as well. Thus, the delivery set for Novoeniseysk LKhK includes Hekotek conveyer systems and solutions for storing granules. Besides, there will be a mill and presses produced by CPM Europe (the Netherlands) with capacity reaching 4.5 ton/ h. Thus, annual plant capacity is to make up 30 thousand ton of pellets.

Earlier while designing pellet factories Hekotek used Andritz presses (Denmark), however, this time both Hekotek and customer chose CPM presses that are more productive (Andritz press – 3.5 ton/h, CPM press – 4.5 ton/h).

It is also worth mentioning that it is the first Hekotek working experience with CPM and we hope that it will be successful one. Moreover effective cooperation with new suppliers will allow us to offer our customers different solutions in future depending on their requirements.

Does the project presuppose capacity expansion?

Hekotek concept on pellet plant construction (both with Andritz and CPM) includes a possibility of capacity expansion by the definite limit. As for DOK Enisey, for example, we considered possibility of plant expansion up to 3 lines with total plant capacity making up 10.5 ton/h.

Within this project we can speak about 2 lines due to more efficient CPM presses. As a result the plant can produce 9 ton/h – annual output reaching 70 thousand tons. However, currently we are speaking about one line to be installed.

Why, in your opinion, was Hekotek chosen as a supplier?

During my work I had a chance to attend different mills in Russia, including those where machinery was purchased from different suppliers. Despite high quality of the machinery bought, sometimes plant was far from operating smoothly as some details were not taken into consideration at once. Thus, it took more time and costs to start-up the plant. Whereas Hekotek offers a complete project – complex solutions – and guarantees that the factory will operate according to the requirements written in the agreement. Thoroughly chosen

machinery influences the work of the plant in general and first of all quality of the finished products (humidity, strength, fraction, etc).

Moreover, we had experience in the Krasnoyarsk area – cooperation that left the customer DOK Enisey pleased with the results. I think it was also an important criterion for choosing Hekotek as a machinery supplier within this project. Thus, by choosing Hekotek a customer chooses maximum effectiveness (from the point of product quality and economy).

Is delivery of pellet plants to Russia a perspective trend for Hekotek?

It is already 3 years from the first Hekotek delivery of pellet plant to Russia (DOK Enisey). Today, besides Novoeniseysk LKhK, 3 plants are operating and one is in the delivery stage. So it is the 5th project realized by Hekotek in Russia.

All in all pellets present an interesting and perspective market. It is green energy that is becoming more and more popular worldwide every year, which in its turn leads to the increased demand for pellet plants. Currently Hekotek focuses on two main trends: sawmilling machinery and pellet factories with specific weight increasing for the latter.

Informational resource: "Runa" www.runa.info

Valon Kone to open its representative office in Russia

In 2009 Valon Kone made an important strategic step in the Russian market. The company opened its authorized representative office in St. Petersburg. Valon Kone (Finland) is the largest manufacturer of rotor debarkers for sawmills, plywood and board plants.

Informational resource: "Runa" www.runa.info

Valmet machinery for Far East

Komastu Forest Russia is delivering a new Forwarder Valmet 840.3 and Valmet simulators to Khabarovsk area for teaching the new generation of forest operators. The buyer is a State Regional Educational Institution for primary vocational training "Professionalnoye uchilishche 14", that has won the National Educational Project contest and obtained the government financing for the purchase of modern harvesting equipment.

The Institution was established in Komsomolsk-on-Amur in 1946 as a construction college, however in the year of 2000 it started to prepare forestry specialists. "Today the Khabarovsk area, desperately lacks specialists of forestry sphere, with professional and modern conception for work in this sector", says Viktor Bobin, the director of the Institution.

Today, Institution teaches about 300 specialists per year, including both forest operators and drivers, road constructors, offering day-time and evening classes. The training program is based on theoretical knowledge and skills for control over the machine, gained in the class. After that the students acquire the necessary knowledge of service and maintenance of the machines, having practical training for maintenance of the real machines. This ensures the professionalism of the future operators, highly demanded in the labour market. Since today, with the new Valmet 840.3 and simulators for harvester, forwarder and feller-buncher the training becomes significantly improved, whereas the operators will have the opportunity to master their skills with the real machine.

"Forwarder will be used only for training purposes and kept in the perfect technical condition. All teachers and future students will get the Valmet corporate style clothes, because we want the whole training process to be held in Valmet corporate style and with full accordance with its rules", assures Viktor Bobin.

At present Valmet center in St. Petersburg trains the teachers for the Institution – including the director himself. "It is very interesting for us to be here, in the Head Quarters of Komatsu Forest in Russia and to gain practical and theoretical basis for using Valmet machines", says Viktor Bobin. "the education is perfect and we use Valmet simulator and that very forwarder that will be delivered to us soon!

Informational resource: "Runa" www.runa.info