

## Siberia Improves its Timber Products Export

The measures taken by the Russian government to improve the country's timber exports have proven to be very effective. The export of the unprocessed timber has been falling for the third consecutive year. The export of the round timber from the Russian Far East fell one third, while the export of processed timber and timber products increased 37 percent. In fact, one third of the country's timber export comes from the Far East.

The chief inspector of the Siberian department of Federal Customs Service, Elena Andreeva has this to say concerning the latest statistics.

"Timber exports from the Siberian regions in the first six months of the year were estimated at almost 1.2 billion U.S. dollars, an increase by 5.9 percent compared to the same period of the previous year," says Elena Andreeva. "This consisted of 36.1 percent unprocessed timber and 63.9 percent of processed timber. A year ago, the export of round timber was two times higher than timber that at least underwent primary processing."

According to the chief inspector, this is the result of the Russian government's decision to increase customs duties gradually on unprocessed timber and the work of the customs to interrupt the illegal export of timber.

A significant part of round timber is imported by China, Japan and South Korea from Siberia and the Russian Far East. Earlier, the Russian round timber exported to these countries was returned back as parquets, furniture or other finished products after some time. Russia could not agree with this situation and started increasing gradually customs tax on unprocessed timber. The final target is to ban the export of such timber. This was a clear cut signal to local and foreign lumbermen that they must invest money in the development of the timber processing industry in Russia. At the same time, the government announced that it would relieve companies of taxes on imported timber processing machinery, which are not produced in the country.

According to Prime Minister Vladimir Putin, the government is creating conditions for the lumbermen so that it is beneficial for them to export finished products rather than unprocessed timber. "This goal will be achieved in the next three years," the Prime Minister said.