

**Production,  
consumption and trade in forest products  
in the Russian Federation**

Moscow, 2006

## **Macroeconomic indices of the Russian Federation for 2002 - 2006**

In recent years, including the year 2005 the economic situation in the Russian Federation in general has been characterized by positive dynamics of basic macroeconomic indices, as can be seen from the data presented in Table 1.

*Table 1*  
**Growth rates of the basic macroeconomic indices  
of the Russian Federation for 2002-2006**  
(as percent of the previous year)

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b> (estimate)	<b>2006</b> (expected)
Gross domestic product	104.7	107.3	107.1	106.4	106.8
Industrial product	103.7	107.0	106.0	104.0	104.5
Investment in fixed capital	102.8	112.5	110.9	110.5	110.9
Retail turnover	109.3	108.8	112.5	112.0	112.0
Real money income of the population	111.1	114.9	108.2	108.8	109.0

In the Russian Federation the annual growth rate of gross domestic product accounted for 7.1% and 6.4% in 2004 and 2005 respectively, industrial product -6.0% and 4.0%, investment in fixed capital -10.9% and 10.5%. According to the estimate in 2006 the growth rates of macroeconomic indices are expected to be slightly lower as compared with the previous years, however they will remain high enough -6.8% for gross domestic product, 4.5% for industrial product, and 10.9% for investment.

### **Production of forest products**

In the period of 2002 - 2006 the forest and forest products sector of the Russian Federation has developed in a dynamic way (Table 2).

*Table 2*

#### **Output of basic types of forest products in the Russian Federation in 2002 - 2006**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005 (estimate)</b>	<b>2006 (expected)</b>
Sawnwood, mill. m <sup>3</sup>	19.2	20.2	21.3	22.0	23.2
Plywood, 1000 m <sup>3</sup>	1821	1978	2246	2556	2700
Particle board, 1000 m <sup>3</sup>	2738	3198	3638	3930	4200
Fiberboard, 1000 m <sup>3</sup>	1045	1088	1158	1296	1570
Paper and paperboard, 1000 t	5980	6377	6830	7126	7390

In 2005 as compared with 2002 production of sawnwood increased by 11.5%, plywood - by 40.7%, particle board - by 54.4%, fiberboard - by 24%, paper and paperboard - by 21.4%.

Growth was ensured by output expansion at operating plants as well as through construction of new plants. In 2006 further growth of production of basic types of forest products is expected as compared with 2005.

### **Production, consumption export and import of roundwood**

In 2005 production of roundwood (removal of wood from all types of fellings) accounted for 185 million m<sup>3</sup>, which is 3.7% more as compared with 2004. In 2006 growth of wood removals by 3.8% against 2005 is expected. In 2005 domestic consumption of roundwood increased by 0,3%, in 2006 further growth by 3.6% is expected. In 2005 the

volume of roundwood export was the highest compared with all years of the former USSR and Russia existence, 48.0 million m<sup>3</sup>. From the position of economics such large export volumes of unprocessed wood are not justified, as export of forest products with high value added is the most effective. It is estimated that in 2006 export of roundwood will account for 50.0 million m<sup>3</sup>, i.e. higher as compared with 2005 level. It is accounted for shortage of necessary capacities for processing of wood, pulpwood in particular. Reduction of roundwood export in 2005 is not likely either. However starting with 2007 reduction in unprocessed roundwood export is forecast.

The major countries importing roundwood are: China - 19.2 million m<sup>3</sup>, Finland – 19.5 million m<sup>3</sup>, Japan – 4.7 million m<sup>3</sup>, Sweden – 2.9 million m<sup>3</sup>, Republic of Korea – 1.8 million m<sup>3</sup>. Exports to Finland and Sweden are mainly pulpwood and exports to China and Japan are mainly sawlogs. Sawlogs and pulpwood dominate in total volume of roundwood. The data on production, trade and domestic consumption of sawlogs and pulpwood is given in Table 3.

*Table 3*

**Production, consumption, export and import of sawlogs and pulpwood  
in the Russian Federation in 2004 - 2006**

1000 m<sup>3</sup>

	<b>2004</b>	<b>2005</b>	<b>2006 (expected)</b>
<b>Sawlogs</b>			
Production	58758	70400	74100
Export	15100	22600	23500
Import	504	200	200
Domestic consumption	44162	48000	50800
<b>Pulpwood</b>			
Production	54171	53500	54400
Export	25800	25300	26400
Import	500	100.0	100

Domestic consumption	28871	28300	28100
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In 2005 growth of sawlogs export was considerably higher than the growth of domestic consumption.

In 2006 the situation is expected to change for the better. The rate of growth of saw logs domestic consumption will be somewhat higher as compared with the rate of export growth.

Reduction in pulpwood consumption in 2006 is accounted for growth of chips consumption.

### Sawn softwood

The share of sawn softwood in total volume of sawnwood produced in Russian Federation accounts for 88%. The share of sawn softwood in export is 96%.

*Table 4*  
**Production, trade and consumption of sawn softwood in the Russian Federation**  
1000 m<sup>3</sup>

	<b>2004</b>	<b>2005</b>	<b>2006 (expected)</b>
Production	18770	19385	20400
Export	12208	14312	15000
Import	5	17	15
Domestic consumption	6567	5090	5415

In 2005 production of sawn softwood increased by 3.3% against 2004. In 2006 growth of sawn softwood production by 5.2% is expected.

In 2005 growth of sawn softwood export accounted for 17.2%. In 2005 domestic consumption of sawn softwood was lower against 2004.

Sawn softwood is exported to the countries of Europe, Africa, Asia. In 2005 the share of Egypt was 11.2%, China – 6.3%, Japan – 7.5%, Great Britain - 5.4%, Germany – 5.0%, Iran - 4.9%, Azerbaijan – 4.7%, Kazakhstan – 4.6%.

### Wood-based panels

In recent years production and trade in wood-based panels and plywood has been developing at high rates (Table 5).

*Table 5*  
**Production, consumption and trade in wood-based panels  
in the Russian Federation in 2004 - 2006**  
1000 m<sup>3</sup>

	<b>2004</b>	<b>2005</b>	<b>2006 (expected)</b>
<b>Plywood</b>			
Production	2246	2556	2700
Export	1438	1527	1600
Import	43	54	57
Domestic consumption	851	1083	1157
<b>Particle board</b>			
Production	3638	3930	4200
Export	219	241	260
Import	552	572	570
Domestic consumption	3971	4261	4500
<b>Fiberboard</b>			
Production	1158	1296	1570
Export	331	380	480
Import	383	493	450
Domestic consumption	1210	1409	1540

Every year new capacities for production of wood-based panels, including MDF and OSB are commissioned. Trends in growth of production, export, import and domestic consumption of plywood and wood-based panels are different.

As regards plywood, export greatly exceeds domestic consumption. In 2005 export of plywood accounted for 59.7% of the total volume, produced in the Russian Federation. It is expected that in 2006 this situation will remain Plywood is exported to such countries as USA, Great Britain, Egypt, Germany, Latvia, Estonia, Finland, Italy.

Domestic consumption of particle board and fiberboard in Russia is continuously growing and is not covered by domestic production.

In 2005 import of particle board accounted for 572 thousand m<sup>3</sup>, in 2006 it is expected to reach 550 thousand m<sup>3</sup>.

The annual import of fiberboard accounts for 330-395 thousand m<sup>3</sup>: Wood-based panels are imported from Poland, China, Austria, Finland, Germany, Estonia, Ireland. The main spheres of domestic consumption of wood-based panels are: construction, repair of residential and production buildings, furniture production.

Export of particle board is insignificant, wood-based panels are exported mainly to CIS countries.

### **Paper and paperboard**

*Table 6*  
**Production, consumption  
and trade in paper and paperboard in the  
Russian Federation in 2003-2005**  
1000 t.

	<b>2004</b>	<b>2005</b>	<b>2006 (expected)</b>
Production	6830	7126	7390
Export	2707	2737	2750
Import	883	1065	1150
Domestic consumption	5006	5454	5790

In 2005 growth of domestic consumption of paper and paperboard accounted for 8.9% and in 2006 -6.2% and was caused by increase in the output on the one hand and by growth of import on the other hand.

Paper and paperboard is exported to Sweden, Turkey, Germany, Iran, and Ukraine. And imported from Finland, Germany, Sweden.

Forecast data on production, consumption and trade is presented in Tables TC-1 and TC-2. On the whole growth of production and consumption of all types of forest products is forecast.



Code	Product	Unit	Historical data		Revised	Estimate	Forecast
			2004	2005	2005	2006	2007
<b>1.2.1. C</b>	<b>SAWLOGS AND VENEER LOGS, CONIFEROUS</b>						
	Removals	1000 m <sup>3</sup>	43 699	47 000	55 500	58 500	60 000
	Imports	1000 m <sup>3</sup>	504 #	200 #	200	200	200
	Exports	1000 m <sup>3</sup>	13 500 #	13 400 #	19 700	20 500	19 700
	Apparent consumption	1000 m <sup>3</sup>	30 703	33 800	36 000	38 200	40 500
<b>1.2.1. NC</b>	<b>SAWLOGS AND VENEER LOGS, NON-CONIFEROUS</b>						
	Removals	1000 m <sup>3</sup>	15 059	16 300	14 900	15 600	16 600
	Imports	1000 m <sup>3</sup>	0 #	0 #	0	0	0
	Exports	1000 m <sup>3</sup>	1 600 #	1 600 #	2 900	3 000	2 900
	Apparent consumption	1000 m <sup>3</sup>	13 459	14 700	12 000	12 600	13 700
<b>1.2.1. NC.T</b>	<b>of which, tropical logs</b>						
	Imports	1000 m <sup>3</sup>	0 #	0 #	0	0	0
	Exports	1000 m <sup>3</sup>	0 #	0 #	0	0	0
	Net Trade	1000 m <sup>3</sup>	0	0	0	0	0
<b>1.2.2. C</b>	<b>PULPWOOD (ROUND AND SPLIT), CONIFEROUS</b>						
	Removals	1000 m <sup>3</sup>	33 171	34 200	35 900	36 350	36 700
	Imports	1000 m <sup>3</sup>	500 #	800 #	100	100	100
	Exports	1000 m <sup>3</sup>	16 964 #	16 900 #	14 600	15 200	14 300
	Apparent consumption	1000 m <sup>3</sup>	16 707	18 100	21 400	21 250	22 500
<b>1.2.2. NC</b>	<b>PULPWOOD (ROUND AND SPLIT), NON-CONIFEROUS</b>						
	Removals	1000 m <sup>3</sup>	21 000	21 700	17 600	18 050	18 300
	Imports	1000 m <sup>3</sup>	0 #	0 #	0	0	0
	Exports	1000 m <sup>3</sup>	8 836 #	8 800 #	10 700	11 200	11 000
	Apparent consumption	1000 m <sup>3</sup>	12 164	12 900	6 900	6 850	7 300
<b>3 + 4</b>	<b>WOOD RESIDUES, CHIPS AND PARTICLES</b>						
	Domestic supply	1000 m <sup>3</sup>	8 600 C	10 900 C	10 900	11 900	12 500
	Imports	1000 m <sup>3</sup>	0 C	0 C	0	0	0
	Exports	1000 m <sup>3</sup>	900 C	1 100 C	1 100	1 100	1 100
	Apparent consumption	1000 m <sup>3</sup>	7 700	9 800	9 800	10 800	11 400
<b>1.2.3. C</b>	<b>OTHER INDUSTRIAL ROUNDWOOD, CONIFEROUS</b>						
	Removals	1000 m <sup>3</sup>	12 890	14 000	11 600	13 500	15 000
<b>1.2.3. NC</b>	<b>OTHER INDUSTRIAL ROUNDWOOD, NON-CONIFEROUS</b>						
	Removals	1000 m <sup>3</sup>	8 181	8 900	2 500	3 000	3 400
<b>1.1.C</b>	<b>WOOD FUEL, CONIFEROUS</b>						
	Removals	1000 m <sup>3</sup>	19 100	18 700	18 700	18 700	18 700
<b>1.1.N C</b>	<b>WOOD FUEL, NON-CONIFEROUS</b>						
	Removals	1000 m <sup>3</sup>	28 900	28 300	28 300	28 300	28 300

Code	Product	Unit	Historical data		Revised	Estimate	Forecast
			2004	2005	2005	2006	2007
<b>5.C</b>	<b>SAWNWOOD, CONIFEROUS</b>						
	Production	1000 m <sup>3</sup>	18 770	19 770	19 385	20 400	21 800
	Imports	1000 m <sup>3</sup>	5	5	17	15	15
	Exports	1000 m <sup>3</sup>	12 208	14 590	14 312	15 000	16 000
	Apparent consumption	1000 m <sup>3</sup>	6 567	5 185	5 090	5 415	5 815
<b>5.NC</b>	<b>SAWNWOOD, NON-CONIFEROUS</b>						
	Production	1000 m <sup>3</sup>	2 585	2 730	2 648	2 800	3 000
	Imports	1000 m <sup>3</sup>	8	8	7	7	7
	Exports	1000 m <sup>3</sup>	413	810	466	500	500
	Apparent consumption	1000 m <sup>3</sup>	2 180	1 928	2 189	2 307	2 507
<b>5.NC .T</b>	<b>of which, tropical sawnwood</b>						
	Production	1000 m <sup>3</sup>	0	0	0	0	0
	Imports	1000 m <sup>3</sup>	3	3	3	3	3
	Exports	1000 m <sup>3</sup>	0	0	0	0	0
	Apparent consumption	1000 m <sup>3</sup>	3	3	3	3	3
<b>6.1</b>	<b>VENEER SHEETS</b>						
	Production	1000 m <sup>3</sup>	195 C	236 C	233	260	290
	Imports	1000 m <sup>3</sup>	5 C	5 C	7	7	7
	Exports	1000 m <sup>3</sup>	25 C	25 C	33	33	33
	Apparent consumption	1000 m <sup>3</sup>	175	216	207	234	264
<b>6.1.N C.T</b>	<b>of which, tropical veneer sheets</b>						
	Production	1000 m <sup>3</sup>	0	0	0	0	0
	Imports	1000 m <sup>3</sup>	3	3	0	0	0
	Exports	1000 m <sup>3</sup>	0	0	0	0	0
	Apparent consumption	1000 m <sup>3</sup>	3	3	0	0	0
<b>6.2</b>	<b>PLYWOOD</b>						
	Production	1000 m <sup>3</sup>	2 246 C	2 551 C	2 556	2 700	2 870
	Imports	1000 m <sup>3</sup>	43 C	42 C	54	57	60
	Exports	1000 m <sup>3</sup>	1 438 C	1 538 C	1 527	1 600	1 700
	Apparent consumption	1000 m <sup>3</sup>	851	1 055	1 083	1 157	1 230
<b>6.2.N C.T</b>	<b>of which, tropical plywood</b>						
	Production	1000 m <sup>3</sup>	0	0	0	0	0
	Imports	1000 m <sup>3</sup>	1	0	1	1	1
	Exports	1000 m <sup>3</sup>	0	0	0	0	0
	Apparent consumption	1000 m <sup>3</sup>	1	0	1	1	1
<b>6.3</b>	<b>PARTICLE BOARD (including OSB)</b>						
	Production	1000 m <sup>3</sup>	3 638	4 046	3 930	4 200	4 500
	Imports	1000 m <sup>3</sup>	552	580	572	560	550
	Exports	1000 m <sup>3</sup>	219	241	241	260	280
	Apparent consumption	1000 m <sup>3</sup>	3 971	4 385	4 261	4 500	4 770

<b>6.3.1</b>	<b>of which, OSB</b>						
	Production	1000 m <sup>3</sup>	0	0	0	0	0
	Imports	1000 m <sup>3</sup>	25	25	35	35	35
	Exports	1000 m <sup>3</sup>	3	0	1	1	1
	Apparent consumption	1000 m <sup>3</sup>	22	25	34	34	34
<b>6.4</b>	<b>FIBREBOARD</b>						
	Production	1000 m <sup>3</sup>	1 158 C	1 270 C	1 296	1 570	1 920
	Imports	1000 m <sup>3</sup>	383 C	469 C	493	450	400
	Exports	1000 m <sup>3</sup>	331 C	387 C	380	480	600
	Apparent consumption	1000 m <sup>3</sup>	1 210	1 352	1 409	1 540	1 720
<b>6.4.1</b>	<b>Hardboard</b>						
	Production	1000 m <sup>3</sup>	804	834	836	838	801
	Imports	1000 m <sup>3</sup>	63	69	69	64	60
	Exports	1000 m <sup>3</sup>	251	289	290	350	400
	Apparent consumption	1000 m <sup>3</sup>	616	614	615	552	461
<b>6.4.2</b>	<b>MDF (Medium density)</b>						
	Production	1000 m <sup>3</sup>	338	423	446	718	1 105
	Imports	1000 m <sup>3</sup>	320	400	424	390	350
	Exports	1000 m <sup>3</sup>	80	98	90	130	200
	Apparent consumption	1000 m <sup>3</sup>	578	725	780	978	1 255
<b>6.4.3</b>	<b>Insulating board</b>						
	Production	1000 m <sup>3</sup>	16	13	14	14	14
	Imports	1000 m <sup>3</sup>	0	0	0	0	0
	Exports	1000 m <sup>3</sup>	0	0	0	0	0
	Apparent consumption	1000 m <sup>3</sup>	16	13	14	14	14
<b>7</b>	<b>WOOD PULP</b>						
	Production	1000 m.t.	6 971 C	7 011 C	7 053	7 130	7 475
	Imports	1000 m.t.	22 C	25 C	25	25	25
	Exports	1000 m.t.	1 866 C	1 950 C	1 946	1 950	2 000
	Apparent consumption	1000 m.t.	5 127	5 086	5 132	5 205	5 500
<b>10</b>	<b>PAPER &amp; PAPERBOARD</b>						
	Production	1000 m.t.	6 830 C	7 024 C	7 126	7 390	7 650
	Imports	1000 m.t.	883 C	1 100 C	1 065	1 150	1 250
	Exports	1000 m.t.	2 707 C	2 750 C	2 737	2 750	2 800
	Apparent consumption	1000 m.t.	5 006	5 374	5 454	5 790	6 100