

# THE TIMBER INDUSTRY IN THE LENINGRAD REGION

**The Leningrad Region is located in the Northwest Federal District (NWFD) of Russia, which is extremely rich in forest resources and comparable to the resource bases of most European countries. Socioeconomic and other indicators verify that the Leningrad Region is one of the most advanced subjects not only in the NWFD, but in the whole country. The region is referred to as a miniature replicant of Russia. It is a unique area with all types of production and means of transport. The enterprises (including more than 500 large entities) represent all industries, generating 4% of Russian electricity, 8% of oil products, 19% of pulp, 4% of cement and 9% of paper.**

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The region enjoys all types of transportation infrastructures: automobile, railways, inland waterways and sea transports, two airports and two oil pipelines. The high sophistication of the transport infrastructure is accounted for above all by the proximity of the second largest city – Saint-Petersburg – which is the main Baltic port of Russia.

The Leningrad Region is characterized by a high transport density judging by Russian standards. For instance, on average, one thousand square kilometers in Russia have 5.3 square kilometers of railroads, while in the north and west – 18.3, and in the Leningrad Region – 31 square kilometers. The same ratio is observed in automobile roads and waterways. The high level of transport infrastructure development is largely determined by the near-border location of the region. The advantageous geographical position of the region allowed the establishment of strong economic ties and channels for contacting the traditional foreign markets.

The region has more than 1,800 lakes; Europe's largest Ladoga Lake, with an area of 18.135 thousand square kilometers among them. The total length of rivers flowing through the region is about 50 thousand square kilometers. The largest of them are the Neva, Svir, Volkhov and

Vuoksa rivers. The Leningrad Region is classified as a region with severe climatic conditions. Its area is rich in wetlands and characterized by a low population density.

53% of the territory of the region is covered with forests.

Having large supplies of natural resources, a highly qualified labor force and a quickly developing legislative framework, the Leningrad Region is involved in active foreign economic activities and trade. It demonstrates a high rate of economic development; the timber industry traditionally holds the second or third place among other local industries in terms of industrial output growth. According to different sources, its output varies from 13 to 20% of the total industrial output.

## RESOURCE BASE

Investmentwise, the developed resource base is a significant advantage to the Leningrad Region. It includes large deposits of mineral resources: over 80 deposits are being developed and new resource types have been explored. However, timber still retains the status of the major resource type.

The total area of the regional forest fund is



plants in the region submitted by the following companies:

**Electropribor Ltd.** is building a sawmill, "Belaya Gorka," in the Luzhksy district. The supposed date of commissioning is August 2006. The round timber processing capacity is 120 thousand m<sup>3</sup> per year. The output will be edged boards with 14% moisture. The output of the plant will be 60 thousand m<sup>3</sup> per year. The plans include the construction of a glued laminated timber shop.

**IES-Holding Ltd.** is adjusting pre-design solutions considering the recommendations of interdepartmental commission. The enterprise is planning to build a sawmill in the Kirishsky district with a rated volume of processed hardwood sawtimber of 30 thousand m<sup>3</sup> of round timber.

**Ust-Luzhsky Timber Processing Plant Ltd.** is planning to arrange production facilities in the Kinguiseppsky district with an output of 50 thousand m<sup>3</sup> of sawn timber and up to 35 thousand m<sup>3</sup> of other timber products; the total round timber processing capacity will be up to 120 thousand m<sup>3</sup> per year.

**PFK Quintex Ltd.** is planning to build a sawmill in the Vyborg district, Leningrad Region. The annual volume of timber to be sawmilled is 60 thousand m<sup>3</sup> of roundwood. The output is to be 49 thousand m<sup>3</sup> of lumber. An additional shop for the production of glued laminated structures is supposed to be built in the future.

**Lyuban Les Ltd.** 000 intends to establish sawmilling production in the town of Lyuban with a rated output of 25 thousand m<sup>3</sup>. The plant will process small-size merchantable wood neglected by other regional sawmills. The supposed volume of timber to be processed (hardwood sawtimber) is up to 50 thousand m<sup>3</sup> of round timber.

**MM-Yefimovsky Ltd.** has started site preparation for the construction of a timber processing plant with the rated output of 500 thousand m<sup>3</sup> of timber per year. The supposed investment is 1,400mln rubles. The commissioning of the plant is planned for 2007. The second construction stage – a plant for the production of glued laminated timber – is to begin in 2007.

Recent years have seen the fast development of the local production of pre-assembled wood structures

for dwelling timber houses; the total finished product output exceeded 1000 dwelling houses per year. The largest house producers were:

- Kompania Rus Ltd. (54,000 m<sup>2</sup> – 360 houses\*, basic types – square log, round log);
- Regionstroy Ltd. (20,000 m<sup>2</sup> – 150 houses\*, basic types – timber frame structure with exterior fiber cement board sidings);
- Scandic Construction Ltd. (20,000 m<sup>2</sup> – 150 houses\*, basic types – timber frame structure with exterior clapboard sidings, 6,000 m<sup>2</sup> – 50 houses\*, basic types – square log, round log);
- CJSC Ditrich Design Concern (10,000 m<sup>2</sup> – 100 houses\*, basic type – timber frame structure with exterior clapboard sidings).

All of these enterprises are oriented in the large-scale manufacture of timber modules and accessories and assembling timber houses on building sites. The most widely used models were high quality timber frame and panel structures using modern insulating materials.

*Galina MALIKOVA*

\* - permanent living house area is up to 150 m<sup>2</sup>

