New opportunities for forest based industries in Ukraine

Development of new cooperation for sustainable mobilization of the forest-based sector in the countries of south east Europe

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I. Introduction

Forest recourses of Ukraine

Forest area of Ukraine
- 10,8 mio. ha (15,7%).
Total forest volume –1,8 bio. m³.

Annual volume of harvesting - 16 mio. m³.

National natural parks and other protected objects of State Forest Agency of Ukraine - 13,9 % of total area.

Forest property structure in Ukraine is characterized with prevalence of public forests - 99%.
I. Introduction

Carpathian region of Ukraine

The forest cover of the area - 39.3%. Transcarpathian oblast – 51.2%; Ivano-Frankivsk oblast – 41.4%; Chernivtsi – 29.4%; Lviv oblast – 28.7%.

Overall growing timber stock amounts to 0.52 billion cubic meters.

Average annual growth of forest land is 4.3 cubic meters per hectare.

Forests of region produce about 9 million m³ of wood annually.

The current harvest in the forests of the State Forestry Agency of Ukraine in region amounts to 4.9 million m³ (63% of the annual growth).
## I. Introduction

### Structure of the forest sector

<table>
<thead>
<tr>
<th>Number of the “forest” subindustry</th>
<th>Name of the “forest” subindustry according EU classification (NACE)</th>
<th>Name of the “forest” subindustry according UA classification (KVED)</th>
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</thead>
<tbody>
<tr>
<td>Forestry subsector</td>
<td></td>
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<tr>
<td>1</td>
<td>Forestry (02)</td>
<td>Forestry (02)</td>
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<tr>
<td>Solid wood subsector</td>
<td></td>
<td></td>
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<tr>
<td>2</td>
<td>Wood products (20.1)</td>
<td></td>
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<tr>
<td>3</td>
<td>Sawmilling (20.1)</td>
<td>Sawmilling (20.1)</td>
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<td>4</td>
<td>Wood-based panels (20.2)</td>
<td>Wood-based panels (20.2)</td>
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<td>5</td>
<td>Wood construction (20.3)</td>
<td>Wood construction (20.3)</td>
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<td>6</td>
<td>Wood packaging (20.4)</td>
<td>Wood packaging (20.4)</td>
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<tr>
<td>7</td>
<td>Misc. wood products (20.5)</td>
<td>Misc. wood products (20.5)</td>
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<tr>
<td>Furniture subsector</td>
<td></td>
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<tr>
<td>8</td>
<td>Furniture (36.1)</td>
<td>Furniture (36.1)</td>
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<tr>
<td>Carpentry subsector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Wood crafts (45x)</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Carpentry (45.22.3)</td>
<td>Carpentry (45.22.0)</td>
</tr>
<tr>
<td>11</td>
<td>Joinery (45.42)</td>
<td>Joinery (45.42.0)</td>
</tr>
<tr>
<td>12</td>
<td>Parquet laying (45.43.1)</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Wood trade (5x)</td>
<td></td>
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<tr>
<td>Cellulose subsector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Paper products (21)</td>
<td>Paper products (21)</td>
</tr>
<tr>
<td>16</td>
<td>Paper articles (21.2)</td>
<td>Paper articles (21.2)</td>
</tr>
<tr>
<td>17</td>
<td>Publishing, printing (22)</td>
<td>Publishing, printing (22)</td>
</tr>
<tr>
<td>18</td>
<td>Publishing (22.1)</td>
<td>Publishing (22.1)</td>
</tr>
<tr>
<td>19</td>
<td>Printing (22.2)</td>
<td>Printing (22.2)</td>
</tr>
</tbody>
</table>

Ukrainian National Forestry University. Department of the furniture and wooden articles technology
Relative ranking of the Ukraine’s forest complex among other sectors by their share of employment of total producing industries (KVED) in 2009
(Source: State Statistic Committee of Ukraine, 2009)

- Electric power, gas, water: 18.9%
- Extractive industry: 16.0%
- Food products, drinks, wares of tobaccos: 13.6%
- Metallurgy, hard wares: 12.2%
- Forest complex: 9.4%
- Machine building: 8.2%
- Forest complex excluding 22: 6.9%
- Chemical industry: 3.9%
- Other non-metal mineral products: 3.7%
- Light industry: 2.6%
- Coke, products of oil industry: 1.6%
II. Status quo

Global turnover trends in Ukraine's forest sector, 2004-2009 (2004 = 100%)
(Source: State Statistic Committee of Ukraine, 2009)
II. Status quo

Structure of turnover in Ukraine’s forest sector

Sources: State Statistic Committee of Ukraine, 2009
III. Some opportunities

1. THE HARVESTING INCREASING

Volume of the harvesting in Ukraine, mil. m$^3$

Sources: State Statistic Committee of Ukraine

Realistic estimation of the maximum – 25 mil. m$^3$
III. Some opportunities

2. IMPROVING OF THE WASTES USING

Wooden wastes consumption in Ukraine, mil. t.

Sources: State Statistic Committee of Ukraine

Realistic estimation of the maximum – 3.0 mil. t.
III. Some opportunities

3. PRODUCTION OF ENERGY FROM WOOD INCREASING

Solid wooden fuel production in Ukraine, mil. t.

Sources: State Statistic Committee of Ukraine

Share of the export – 90-95%
III. Some opportunities

4. FOREST CLUSTERS CREATION

1. Our university team has conducted detailed cluster analysis of the forest sector of the Carpathian region in Ukraine

2. As a result, we already have new forest cluster in Lviv (Ukrainian National Forestry University is member of this new cluster)

3. We can consider such activity as successful cooperation (common promotional activity, innovations implementation, staff provision, WOOD COMPETENCE CENTER creation)
III. Some opportunities

5. EDUCATIONAL AND TRAINING ACTIVITY IMPROVING

Ukrainian National Forestry University starts to deliver such new courses:

1. Research of the forest clusters.
2. Wooden building technology.
3. Alternative energy sources.
IV. Discussion

New definition is not only definition

Without understanding that any forest sector should consists of all subindustries which have deal with such common resource as “forest” we will not be able to decide very important problem of any forest sector – the installation and keeping of balance between the creating of protection forest area and needs of forest (wood) production.
# IV. Discussion

Strategic base for common future cooperation

<table>
<thead>
<tr>
<th>Country/area</th>
<th>Employment</th>
<th>Gross value added</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Roundwood production</td>
<td>Wood processing</td>
</tr>
<tr>
<td></td>
<td>(1 000)</td>
<td>(1 000)</td>
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<tr>
<td>Total Eastern Europe</td>
<td>257</td>
<td>515</td>
</tr>
<tr>
<td>Total Western Europe</td>
<td>239</td>
<td>904</td>
</tr>
<tr>
<td>TOTAL WORLD</td>
<td>3 876</td>
<td>5 459</td>
</tr>
</tbody>
</table>

Source – State of the world’s forests, 2009 – FAO, Rome, 2009
IV. Discussion

New triple helix is the new understanding of the prospects for future development

Cluster organization

Forest sector

Sustainable development
THE MAIN OPPORTUNITIES OF UKRAINE’S FOREST SECTOR

1. Strengthening of the co-ordination within the framework of the forest sector.
2. The forest sector of the Carpathians region of Ukraine has the best pre-conditions for its development.
3. Creation of analytical center for the forecast and the strategy elaboration development of the forest sector.
4. Prospects of cluster organization for the subindustries of the forest sector, especially in rural areas.
5. Development of wooden constructions production, as one of the most important industries for the forest sector.
6. Development of the energy from wood production.
7. Complex utilization of wastes.
Thank you for your attention!

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