



Conference

RELATIONS BETWEEN FORESTRY AND WOOD INDUSTRY IN NORTHEASTERN BOSNIA AND HERZEGOVINA

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FORESTRY IN BOSNIA AND HERZEGOVINA

- A long time ago, forests were considered as one of the greatest and most important natural wealths.
- It was not until the first half of the nineteenth century that forestry became a special industry.
- **TIMBER-LAND RELATIONS**
 - Ottoman (government forests)
 - Austria-Hungary (forest given to foreign investments)
 - Yugoslavia of Versailles (degradation of forests until 1932)
 - SFRJ (Socialist Federation of Republics Yugoslavia (reconstruction,afforestation,forests economy)
 - B&H - Dayton (concern for forests divides on entities) and the Act of Forest in Federation of 2002 , economy in government forests was transferred to Forest Economy Associations. So, wood processing is completely separated from forestry, they are connected only in trade segment, i.e. wood buying.

STATE OF FORESTRY FUND

- After the war, all the basis related to forestry and economy were not built, or forests stock-taking was made.
- Significant devastation of forests in the previous war.
- Large mined fields over 100.000 h , being considered economical unexploitable for a long period, in view of their damaged condition, are a potential focus for possible progress of blights and insects diseases.
- All wood stockpiles have been estimated about 291 million, there are about 108 miliona m3 of conifer, and about 183 miliona m3 of decidous.
- Some important projects have been realized in Bosnia and Herzegovina, being intended to establish public administrative and economical management of forests , and also application of worldwide and European conventions and standards to all forest segments .

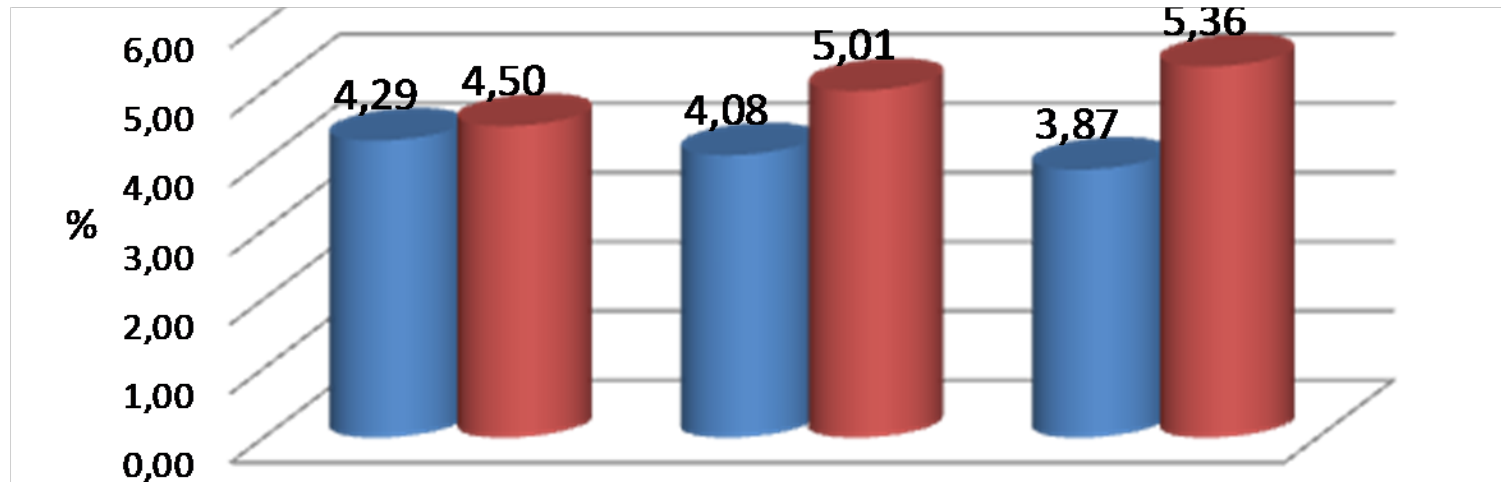
WOOD AND TIMBER INDUSTRY IN BOSNIA AND HERZEGOVINA

- **State of wood industry in Bosnia and Herzegovina until 1992**
- Wood industry of Bosnia and Herzegovina participated in national income about 10% (about 3 mil. US \$), and in export (of Bosnia and Herzegovina) about 11 %.
- 220 different medium and small companies make wood industry capacities..
- Wood industry hire about 61.000 employees or 13% of total number of industry and mining workers, there are 15.000 in the primary processing and 46.000 in the final processing.

State of wood industry today

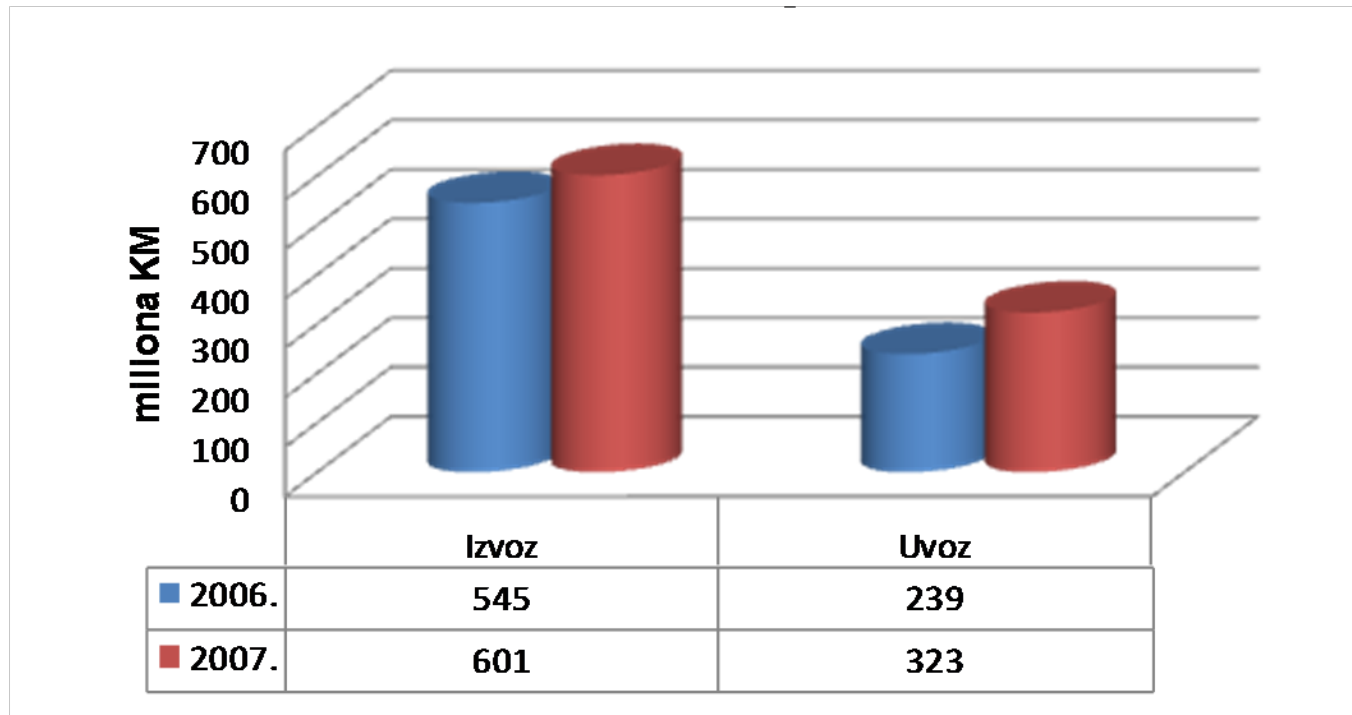
- sawmills processing capacities are higher than available domestic raw materials,
- no domestic production of chipboard and MDF panels,
- inadequate relation between primary and final processing,
- starting production in small plants near the place of raw materials ,
- relatively considerable employment,
- Insufficient investments in technological development,
- lack of trade mark in wood industry in Federation of Bosnia and Herzegovina,
 - trade surplus related to abroad,
 - permanent export orientation

Participation of wood industry in Federation of B&H



Wood processing and production except furniture
Furniture production, processing industry

Wood industry in Federation of B&H



Export in Federation of B&H
(2006)

Import in Federation f B&H
(2006)

RELATIONS BETWEEN FORESTRY AND WOOD PROCESSING

- Relations are not adequately and well regulated
- Activities side by side (tight-knit)
- There is no good forestry without good processing and on the contrary
 - economical self-preservation
 - ecologically acceptable
 - socially just
 - enlargement of forest sources
- Raw material base from our forests can not be a guarantee or fundamental factor for wood industry development.
- Wood industry companies should be developed through manufacturing programs, quality, productivity, technology, staff.
- A higher level of finalization is a requirement and condition for wood industry to survive and develop.

The most common relations in the world

- Forestry and wood industry are connected in a chain in order to make additional values (concepts from Scandinavia and Baltic).
- Market relations in forming of goods and services prices.
- Administratively economical (final producers, export orientated, have been provided by longtime contracts).

Common problems in past relations

In the meetings of the associations, chambers of commerce, the authorities, according to the requests of some companies, it has been pointed as it follows:

- Criterion of distribution logs (related to development, market, society)
- Log prices (the highest in the area)
- Payment terms (short regarding to management conditions)
- Effective quality of delivered goods (not equal for everyone)

FURTHER ACTIVITIES

- Relations between forestry and wood processing should be based on prestigious partnerships in a chain to make additional values.
 - The problems are identical
 - The goals and aims should be identical
 - The task and mission is common
- To establish working /study groups for **discussion and overcoming of** problems in cooperation with the authorities including past achievements.
- To hold the second conference in autumn.