



DEVELOPMENT CORPORATION
SVERDLOVSK REGION



GOVERNMENT OF
SVERDLOVSK
REGION

**Prospective growth
of Timber industry.
Raw material
security.**

Forest resources allocation

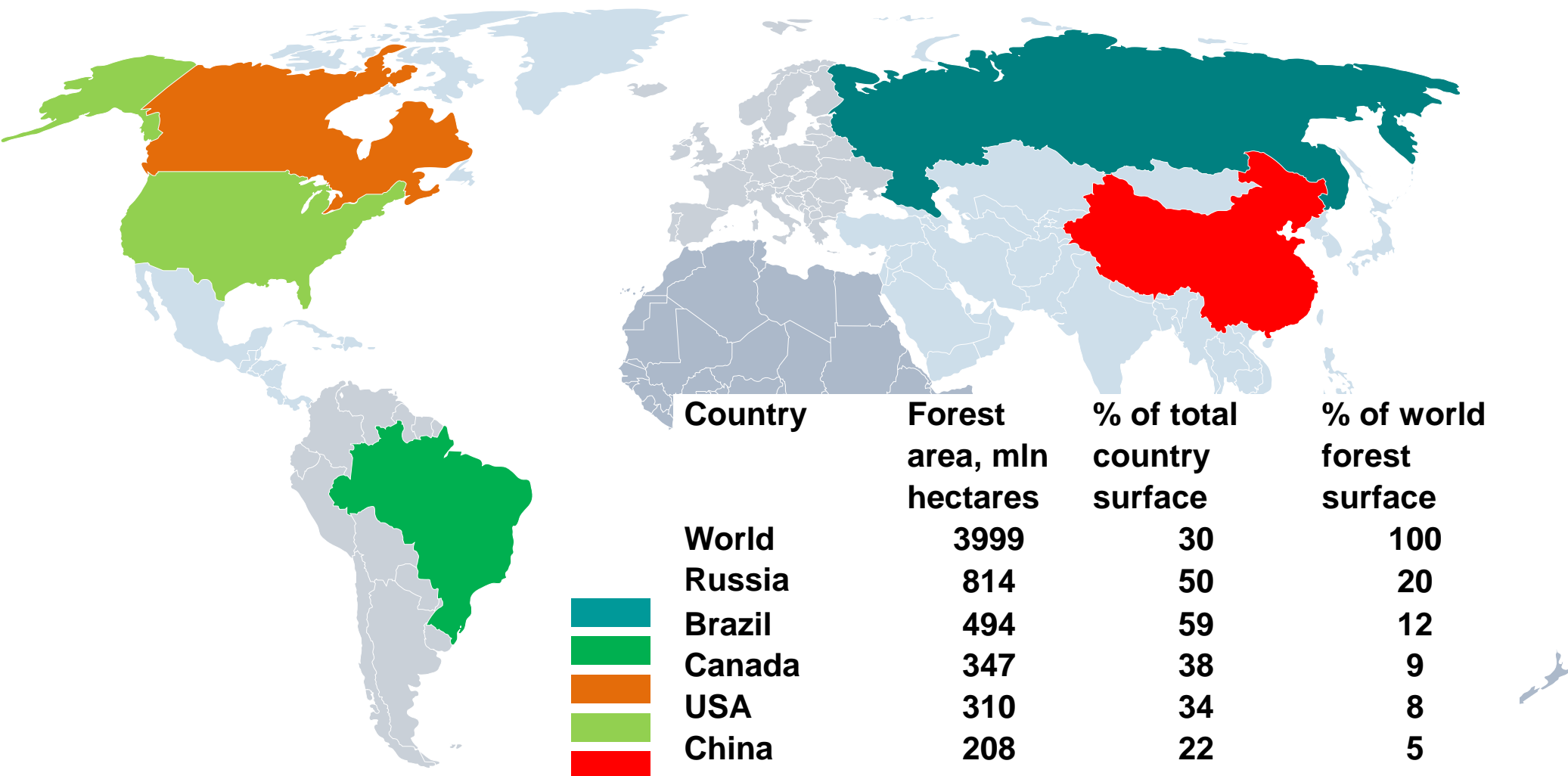


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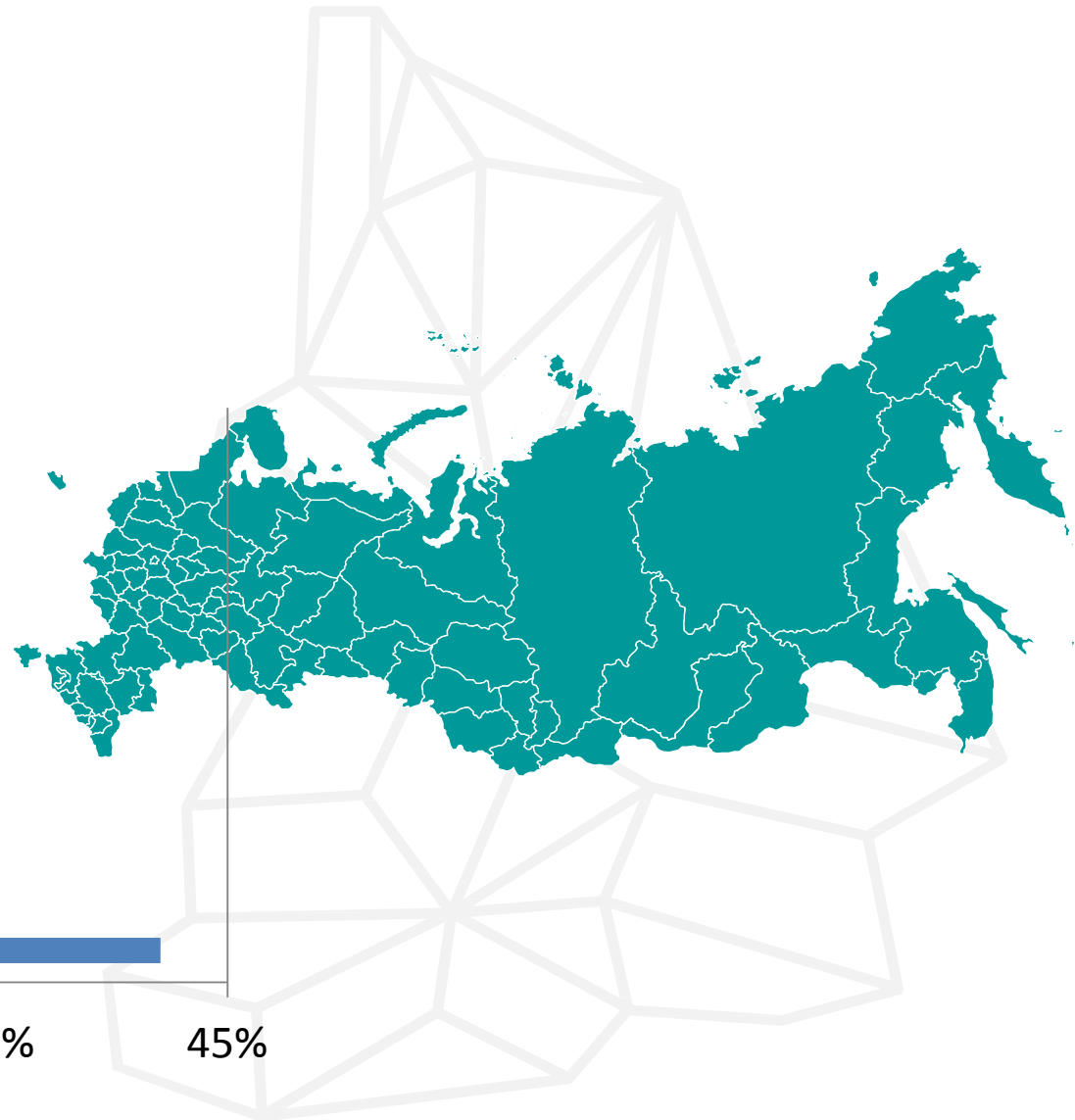
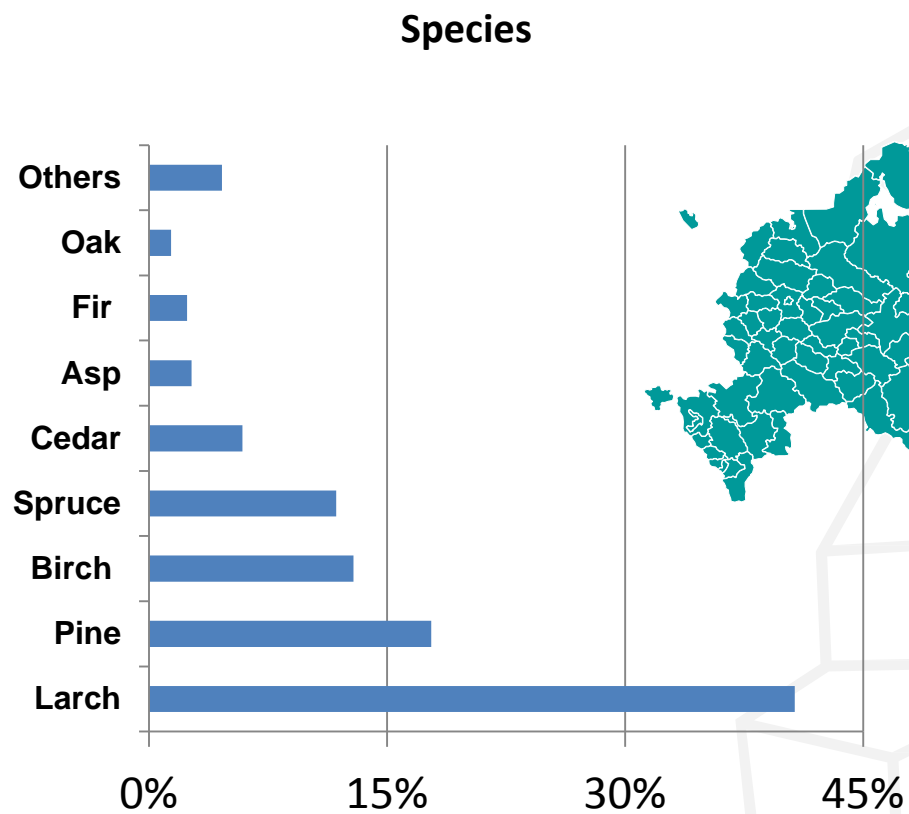
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Forest resources distribution in 2015





Timber species in Russia



Forrest resources allocation in Russia



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Region	Forest territory, thousands hectares	Stock of timber, mln. m ³
Russia	794896	82790
Including:		
Far Eastern Federal District	295082	20514,2
Siberian Federal District	276955	33394,9
North West Federal District	88502	10357,4
Ural Federal District	69513	8133,6
Privolzhsky Federal District	37758	5670,9
Central Federal District	22574	3945,6
South Federal District	2650	492,3
North Caucasian Federal District	1862	281,2



Share of timber industry export



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Global trade, 1990-2015 yy.

Indicator	1990 y	2000 y	2015 y
World merchandise exports, USD billion	3 496	6 452	16 552
Timber Industry Export, USD billion	100	145	229

Russian timber industry structural changes in export

Type of products/year	2000y	2015y
Raw timber	1 338	1 339
Lumber	733	3 017
Plywood	221	991
Particle board	11	170
Fibreboard	32	143
Paper and cardboard	836	1 567

International trade

Lumber 1990-2015, mln m3

Year	1990	2000	2015	% of total trade
International trade	77,6	113,6	135,8	100
Export				
Canada	27,2	36,5	30,8	23
Russia	6,2	7,8	23,8	18
Sweden	6,3	11,0	12,8	9
Germany	1,3	3,9	6,9	5
Finland	4,2	8,4	7,9	6
Import				
China	1,3	6,1	27,6	20
USA	22,5	34,4	24,5	18
Great Britain	10,7	7,9	6,3	5
Japan	9,0	10,0	5,8	4
Egypt	1,6	2,0	5,8	4

Board production 1990-2015, mln m3

Год	1990	2000	2015	% of total trade
International trade	30,6	56,9	85,2	100
Export				
China	0,9	1,2	15,3	18
Canada	2,4	10,8	7,7	9
Germany	1,4	4,6	6,0	7
Russia	0,8	1,4	4,5	5
Malaysia	1,4	5,2	4,3	5
Import				
USA	4,2	13,9	11,6	14
Germany	3,3	4,1	5,4	6
Japan	3,8	6,2	4,2	5
China	3,2	6,6	3,5	4
Canada	0,5	1,5	3,3	4

Sverdlovsk Region

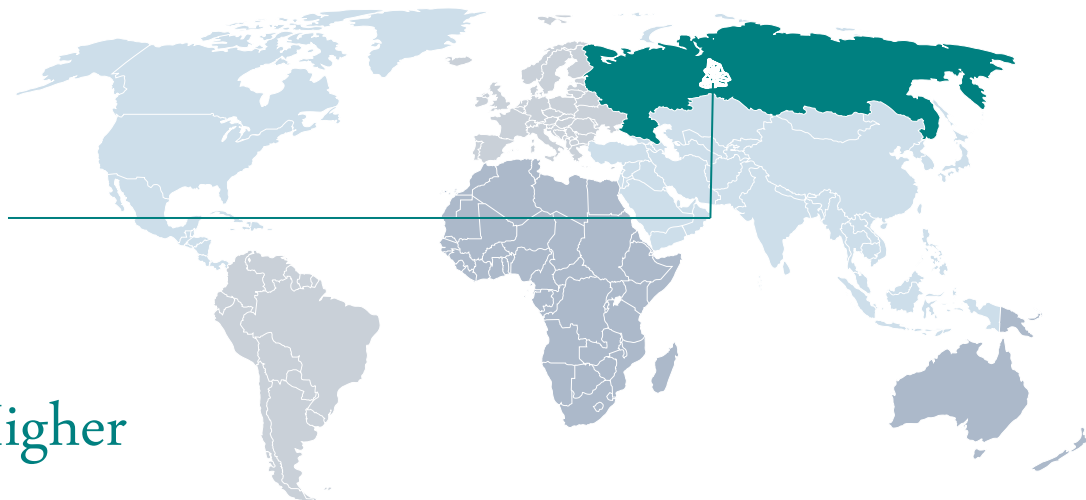
Geographical location and the key facts

3rd Place

In cargo turnover after Moscow
and St. Petersburg

4 Times Higher

Industrial production volume
is 4 times higher than the average in the
country



The Leading Region

of the Urals Federal District

Ekaterinburg

Is the business capital of the Urals and
Siberia



14 consulates 12 honorary consulates 20 visa centers






Projected logging area in Sverdlovsk Region is 24,3 million m³ with a majority of it available for lease

15 247,2


thousand ha of the forest resources

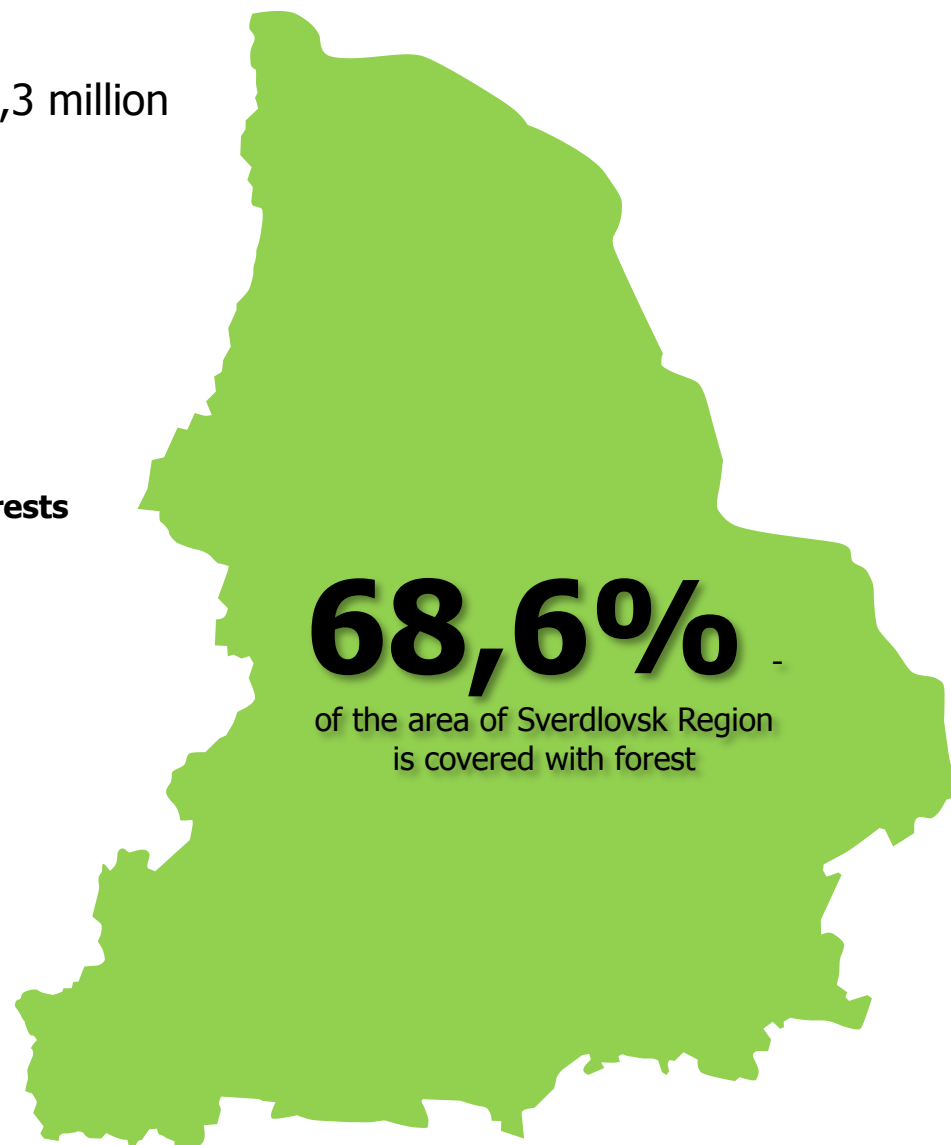
12 733,7 thousand ha of the area covered with forests

2 034,66 million of m³ of wood reserve

 **57,1%** pine wood

 **42,9%** soft broad-leaved wood

 **0,001%** hard wood





6,5 million of m3 of woodworking is done in Sverdlovsk Region annually. Regional logging enterprises are ready to cooperate with wood processing plants

The local Timber industry leaders:

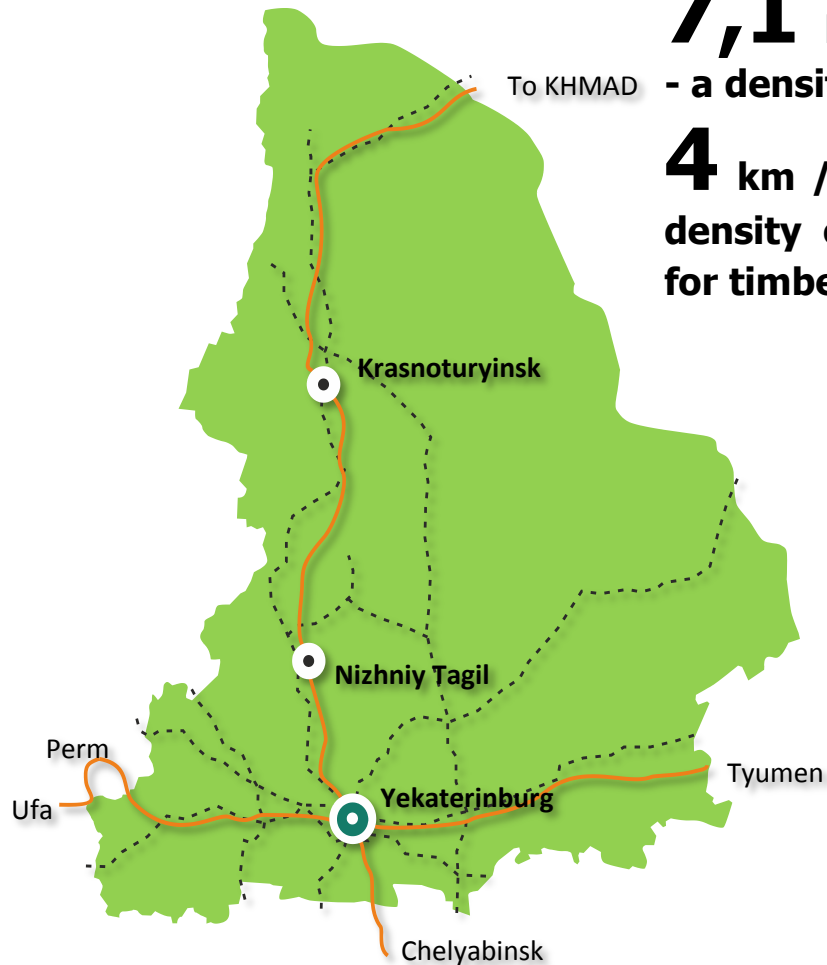
- 1 **"Lesnoy Ural" LLC** (logging, the sawn timber and chipboard manufacturing)
- 2 **Non public Joint Stock Company "Sveza Verkhnyay Sinyachikha"** (a plywood factory)
- 3 **Tavda Plywood and Boards Factory** (plywood),
- 4 **"CBK-Invest" LLC** (the paper and cardboard manufacturing)
- 5 **"Turinsky Pulp-and-Paper Plant»** (the paper and wallpapers manufacturing)





Sverdlovsk Region is one of the most industrially advanced regions of Russia which has an extensive transport infrastructure allowing raw materials and ready products to be delivered to any location

Transport Infrastructure



7,1 km/ thousand ha
- a density of roads

4 km / thousand ha - a
density of roads suitable
for timber transportation

37 348 km of public roads

5 411 km of hard surface roads

25 973 km of dirt roads

18 618 km of year-round
operational roads



4 255 km of railways



1 448 km of the narrow gauge
railroad



82 150 km of woodworking roads

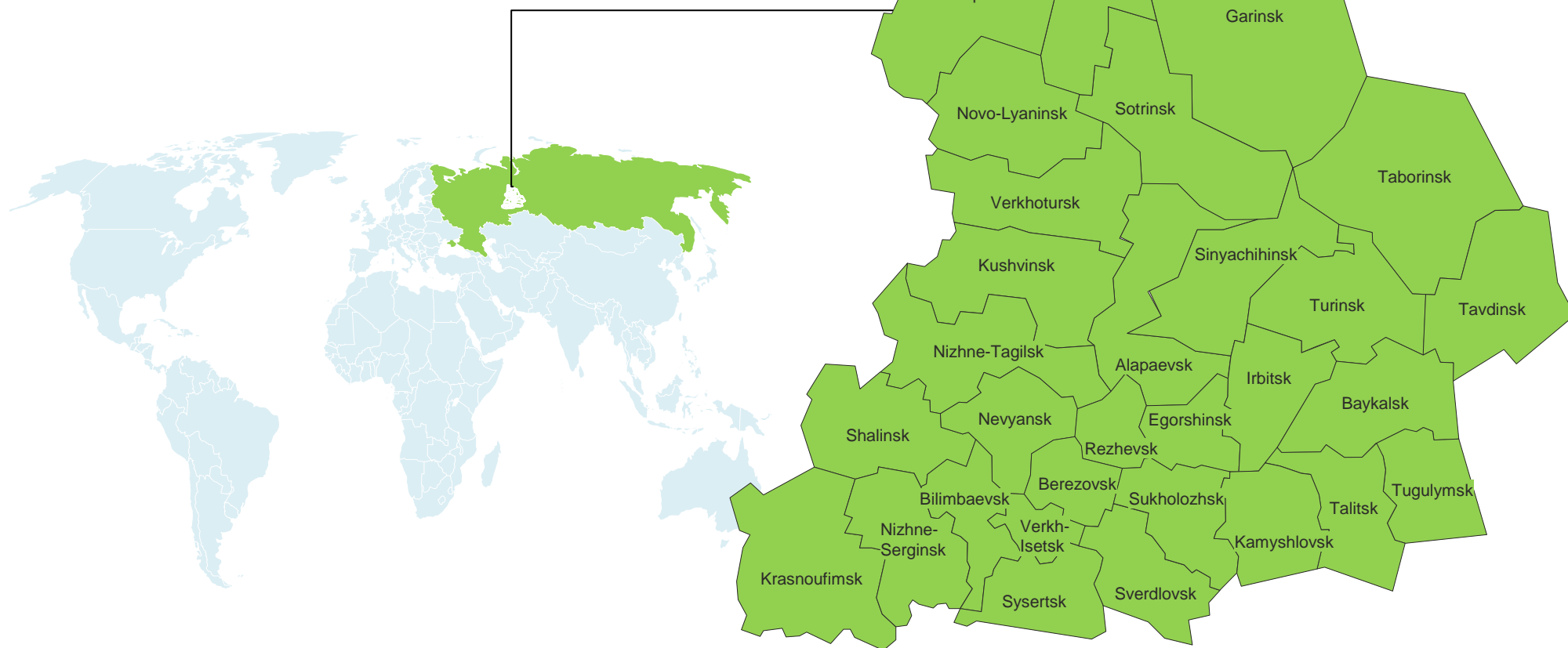


16 163 km of the roads
designed particularly for the timber
transportation



We have done a research on the Forestry of Sverdlovsk Region and ready to present its characteristic features according to the geographical breakdown

A Map of the Forestries



Ivdel Forestry

Northern Cluster

Species composition:

36% pine,
13% spruce,
25% birch,
19% aspen,
7% other species

**Annual allowable cut - 2202
thousand m³,**

Actual logging - 98 thousand m³.

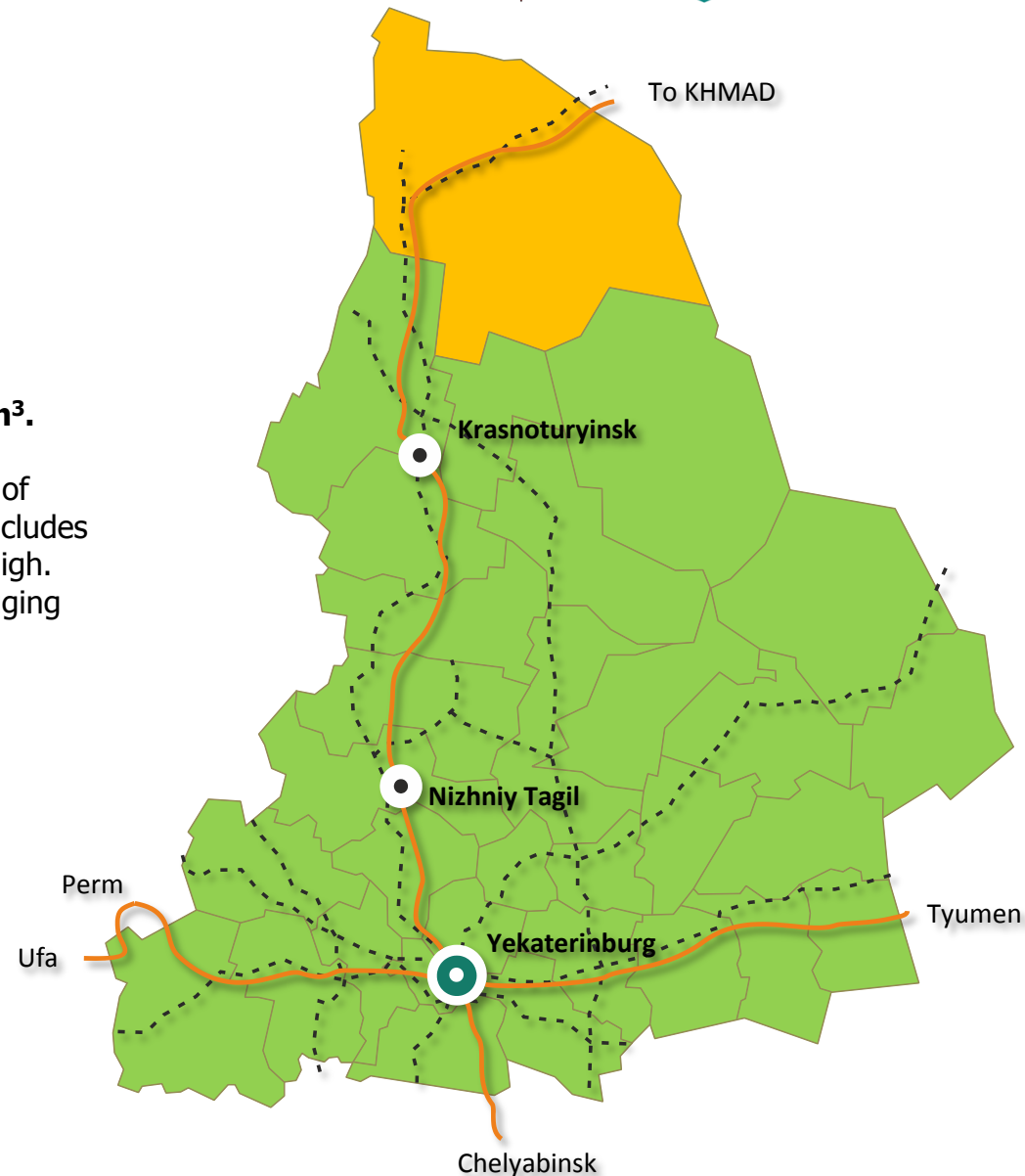
The remaining part of the areas is of interest in the future, because it includes mainly young trees, about 5-6 m high. These areas will be suitable for logging within 5-10 years.

Transport infrastructure:

The road connecting the South and North of Sverdlovsk region, output to the Khanty-Mansiysk Autonomous District.

The length of year-round roads, including forest roads is **5427 km**. The length of winter roads is **2667 km**.

Railway stations: Ivdel; Pelym.



Verkhoturys, Karpinsk, Novo-Lyalya, Serov and Sotrinsk Forestries

Northwest Cluster

Species composition:

36% pine,
13% spruce,
25% birch,
19% aspen,
7% other species

Annual allowable cut - 5503 thousand m³,

Actual logging - 1128 thousand m³.

Offering rental plots with a volume of logging about 2600 thousand m³, including areas with low-quality forest (bonitet 4-5) volume about 1000 thousand m³.

Distinctive features:

- availability of high-quality mountain forest,
- a small portion of the marshlands.

Transport infrastructure:

The road connecting the South and North of Sverdlovsk Region, output to the Khanty-Mansiysk Autonomous District.

The length of year-round roads, including forest roads is 13279 km. The length of winter roads is 3432 km.

Railway stations - Verkhoturys, Karpinsk, Krasnoturinsk, Lobva, Lyalya, Severouralsk, Serov, Sosva-novaya etc.



Gari and Tabori Forestries

Northeast Cluster

Species composition:

15% pine,
6% spruce,
45% birch,
30% aspen,
4% other species

Annual allowable cut - 2332 thousand m³,

Actual logging - 180 thousand m³.

Offering rental plots with a volume of logging around 1200 thousand m³, including areas with low-quality wood volume of 600 thousand m³ that requires deep processing.

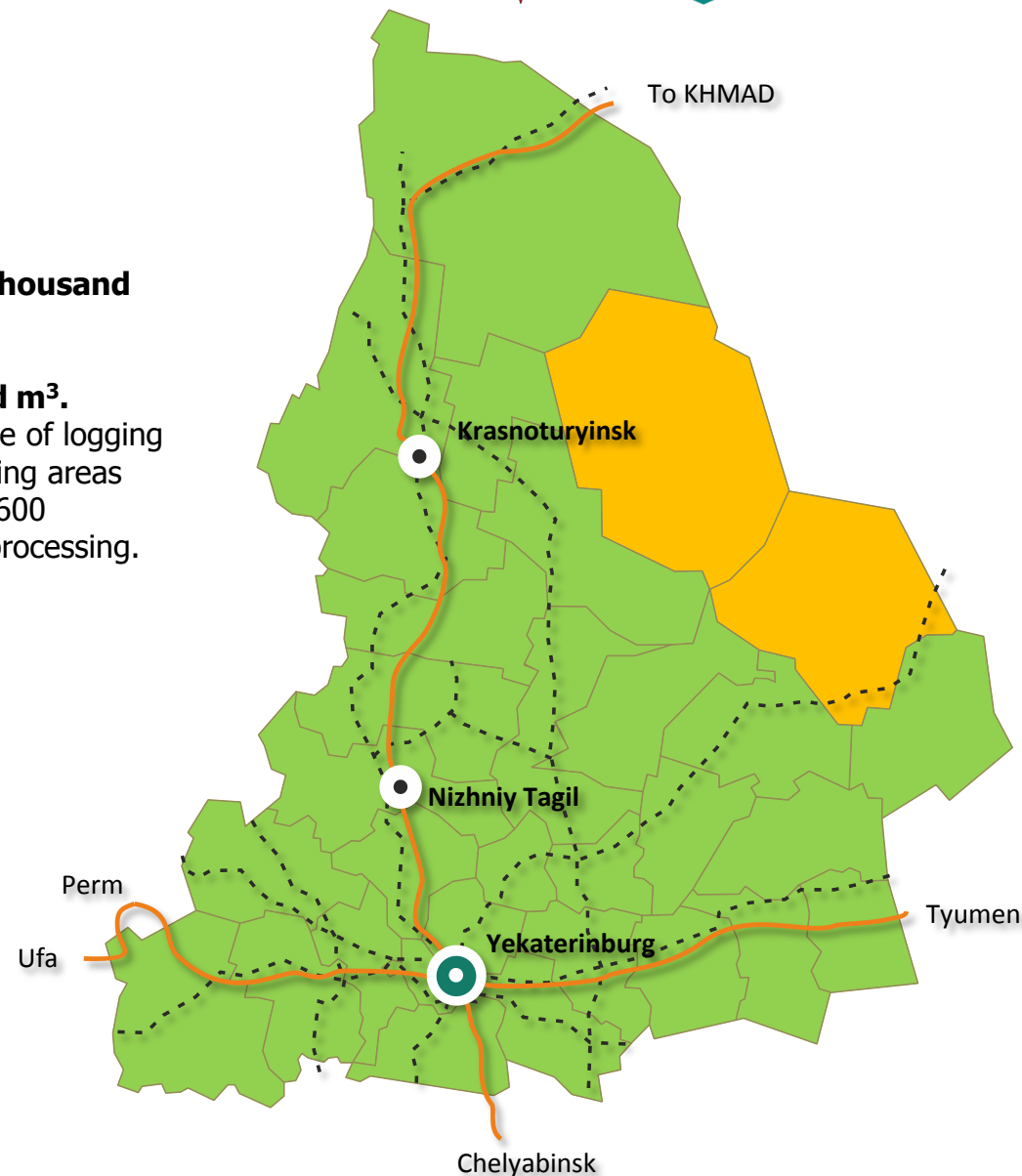
Distinctive features:

- the greatest value during logging is a high quality birch wood;
- the quality of logged aspen requires deep processing;
- a considerable amount of plots located in marshlands and requires winter transportation;
- available ship transportation of wood.

Transport infrastructure:

The length of year-round roads, including forest roads is 608 km. The length of winter roads is 1328 km.

Railway station – Sosva-novaya.



Kushva, Nevyansk, Nizhny Tagil and Shalya forestries

Nizhny Tagil Cluster

Species composition:

23% pine,
13% spruce,
35% birch,
23% aspen,
6% other species

Annual allowable cut - 2706 thousand

m³,
actual logging - 1060 thousand m³.

Major part of plots is rented, logging is active.
Offering rental plots with a volume of logging
about 200 thousand m³.

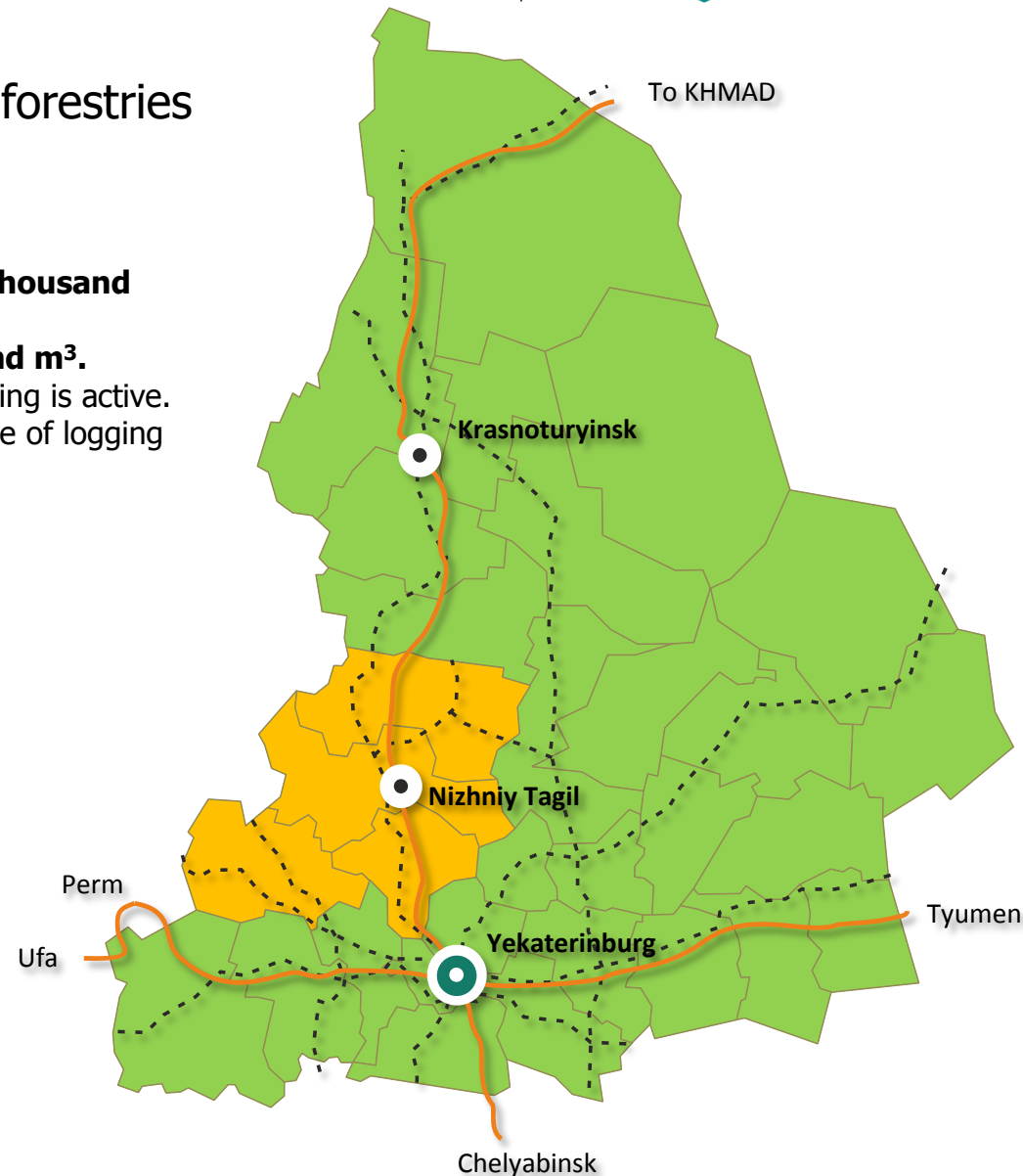
Distinctive features:

- active logging;
- qualitative composition of softwoods and hardwoods.

Transport infrastructure:

The proximity of the industrial centers of Sverdlovsk region. The road connecting the South and North of Sverdlovsk region, output to the Khanty-Mansiysk Autonomous District. The length of year-round roads, including forest roads is 11413 km. The length of winter roads is 590 km.

Railway stations - Verkhnyaya Salda, Verkhnyaya Tura, Kirovgrad, Krasnouralsk, Kushva, Nevyansk, Nizhnyaya Salda, Nizhny Tagil, Shalya, etc.



Alapaevsk, Irbit and Sinyachikha forestries

Alapaevsk cluster

Species composition:

12% pine,
7% spruce,
38% birch,
38% aspen,
5% other species

Annual allowable cut - 2577 thousand m³, actual logging - 1138 thousand m³.
Offering rental plots mainly in the northern part of the bush (Sinyachikha forestry) with a volume of logging about 500 thousand m³.

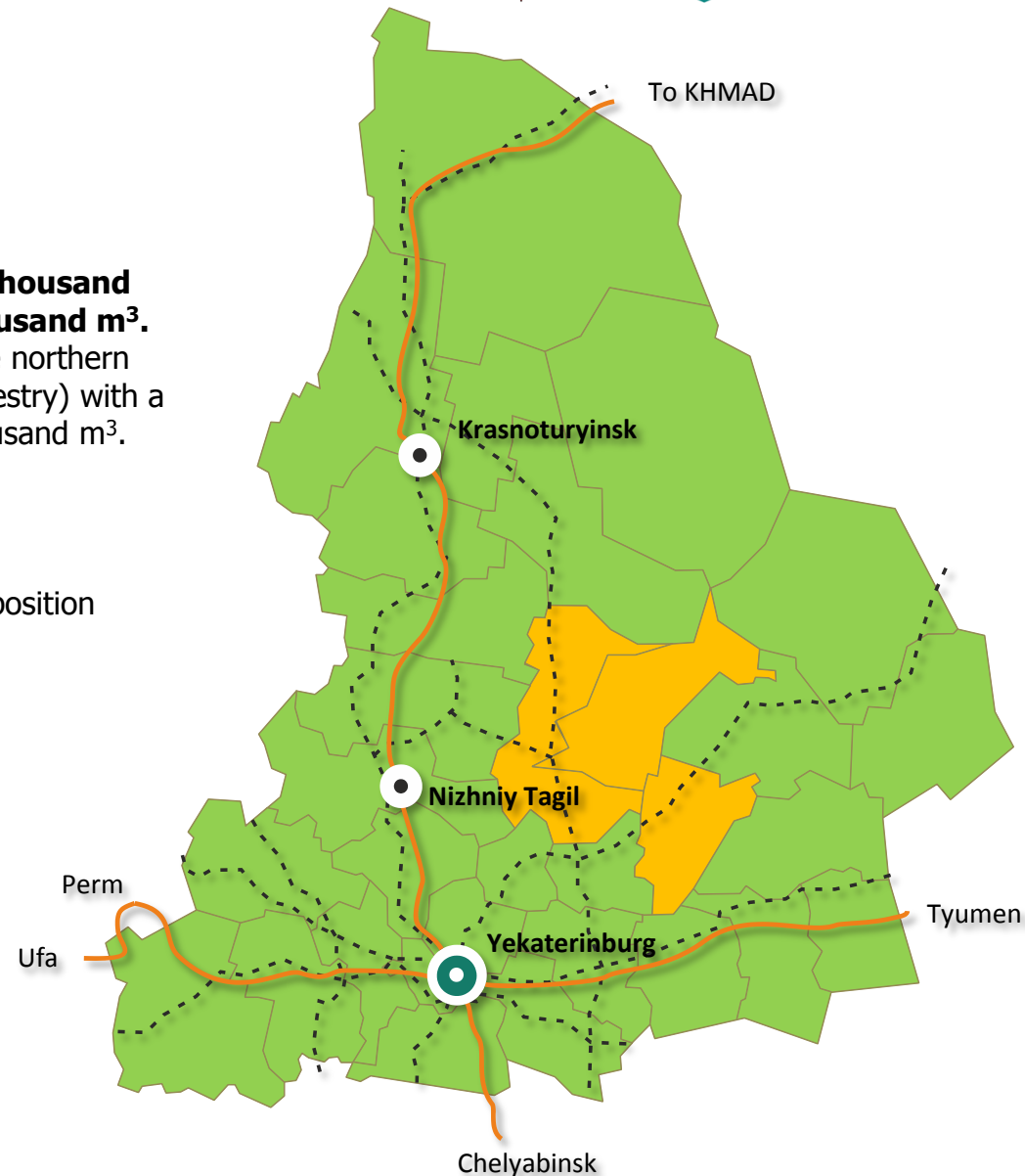
Distinctive features:

- active logging, focused on the processing of all the species composition of the forest
- good location nearby to wood-processing enterprises

Transport infrastructure:

Good transport infrastructure. The length of year-round roads, including forest roads is 27280 km. The length of winter roads is 6469 km.

Railway stations - Alapaevsk, Verkhnyaya Salda, Egorshino, Irbit, Nizhnyaya Salda, Sinyachikha, Taliy Klyuch etc.



Baikalovo, Kamyshlov, Tavda, Talitsk, Tugulym and Turinsk forestries

Baykalovsky Cluster

Species composition:

10% pine,
7% spruce,
37% birch,
40% aspen,
6% other species

**Annual allowable cut - 4307 thousand m³,
actual logging - 958 thousand m³.**

Offering rental plots with the total logging volume about 1000 thousand m³. About 60% of the plots are in marshlands with the possibility of export of the wood in winter.

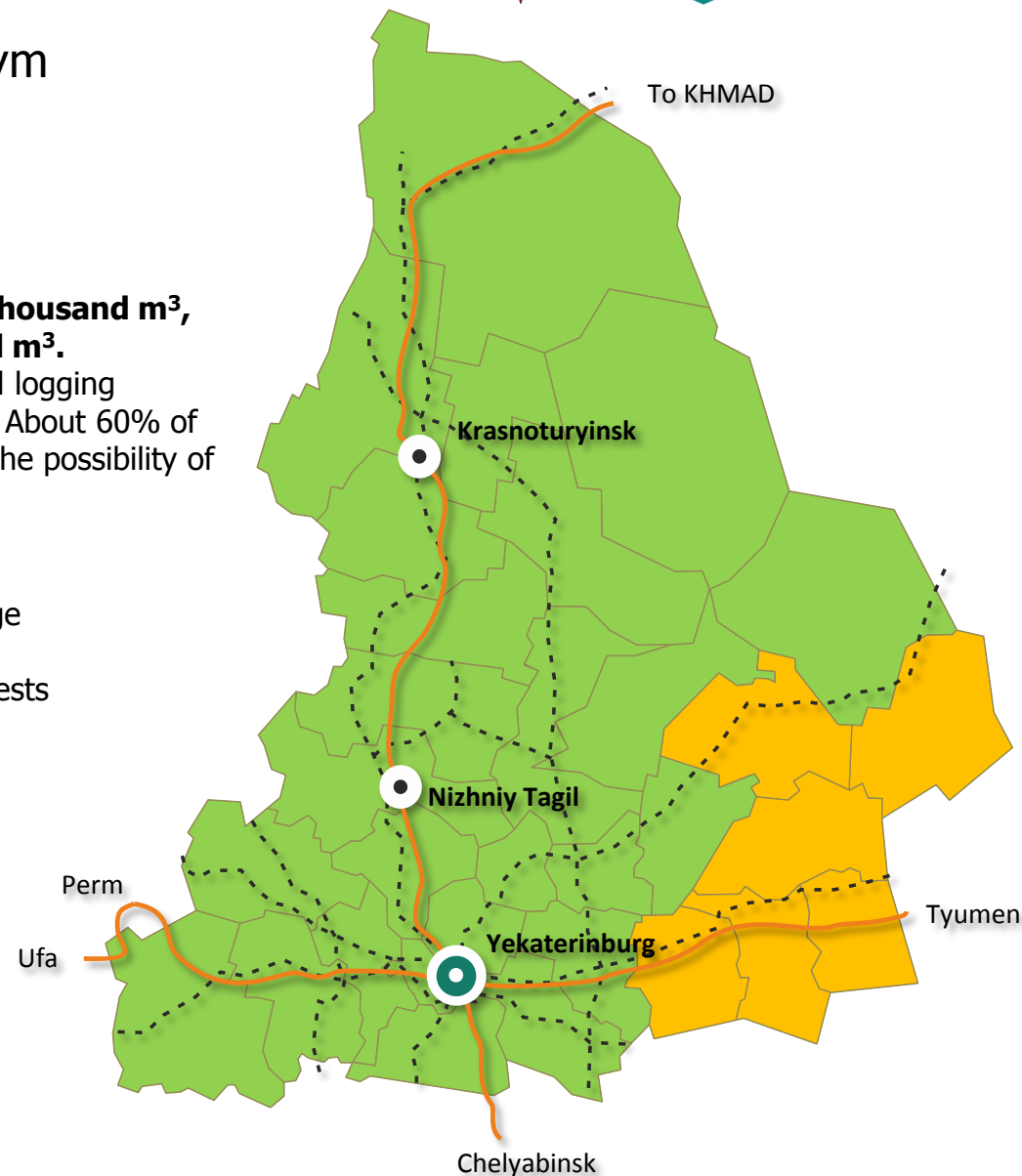
Distinctive features:

- scattered location of plots for logging in combination with a large territory
- more than half of the plots are located in marshlands and suggests export of the wood in winter

Transport infrastructure:

Roads and railways connecting the Sverdlovsk region with the Tyumen region. The length of year-round roads, including forest roads is 10089km. The length of winter roads is 868 km.

Railway stations - Alapaevsk, Verkhnyaya Salda, Verkhnyaya Sinyachikha, Egorshino, Irbit, Nizhnyaya Salda, Taliy Klyuch etc.



Berezovsk, Bilimbaevsk, Verkh-Isetsk, Egorshinsk, Sverdlovsk, Sysert', Sukholozhsk и Rezh forestries

Central Cluster

Species composition:

38% pine,
16% spruce,
22% birch,
15% aspen,
9% other species

**Annual allowable cut - 3392 thousand m³,
actual logging - 1063 thousand m³.**

Free plots for logging are almost absent. The remaining part of the AAC includes protective forests, forests intended for recreational use or small scattered remote plots.

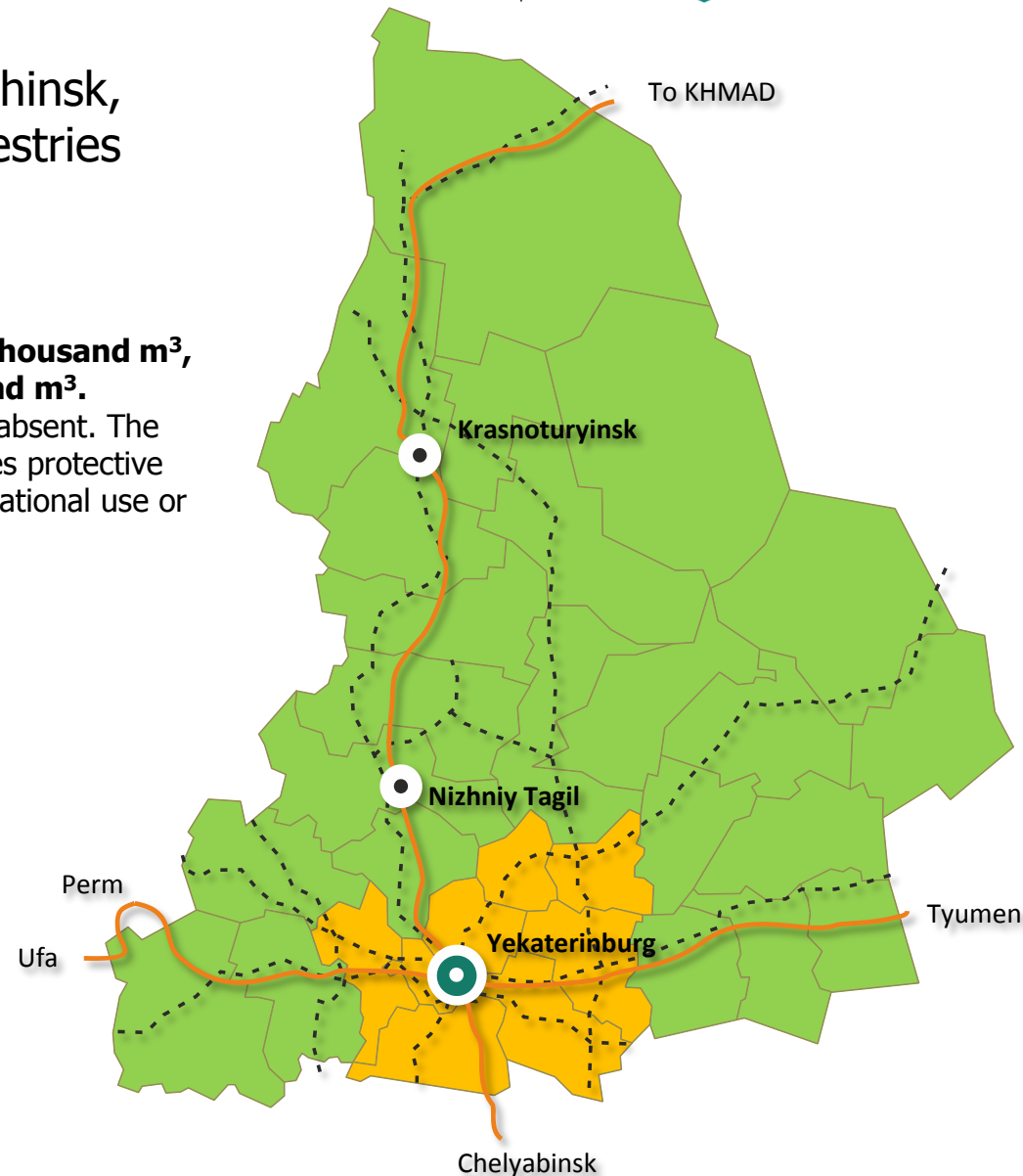
Distinctive features:

- active logging;
- the largest concentration of settlements.

Transport infrastructure:

Good transport infrastructure. The proximity to the administrative center of the Sverdlovsk Region - Ekaterinburg. International Airport of Koltsovo. The length of year-round roads, including forest roads is 9654 km. The length of winter roads is 211 km.

Railway stations – Aramil, Berzovskiy, Bilimbay, Verkhnyaya Pyshma, Ekaterinburg, Pervouralsk, Polevskoy, Revda, Sredneuralsk, Sysert etc.



Krasnoufimsk, Nizhniye Sergi forestries

Western Cluster

Species composition:

17% spruce,
8% pine,
8% fir,
36% aspen,
15% linden,
9% birch,
7% other species

Annual allowable cut - 1301 thousand m³,

Actual logging- 523 thousand m³.

Offering rental plots with a volume of logging about 200 thousand m³.

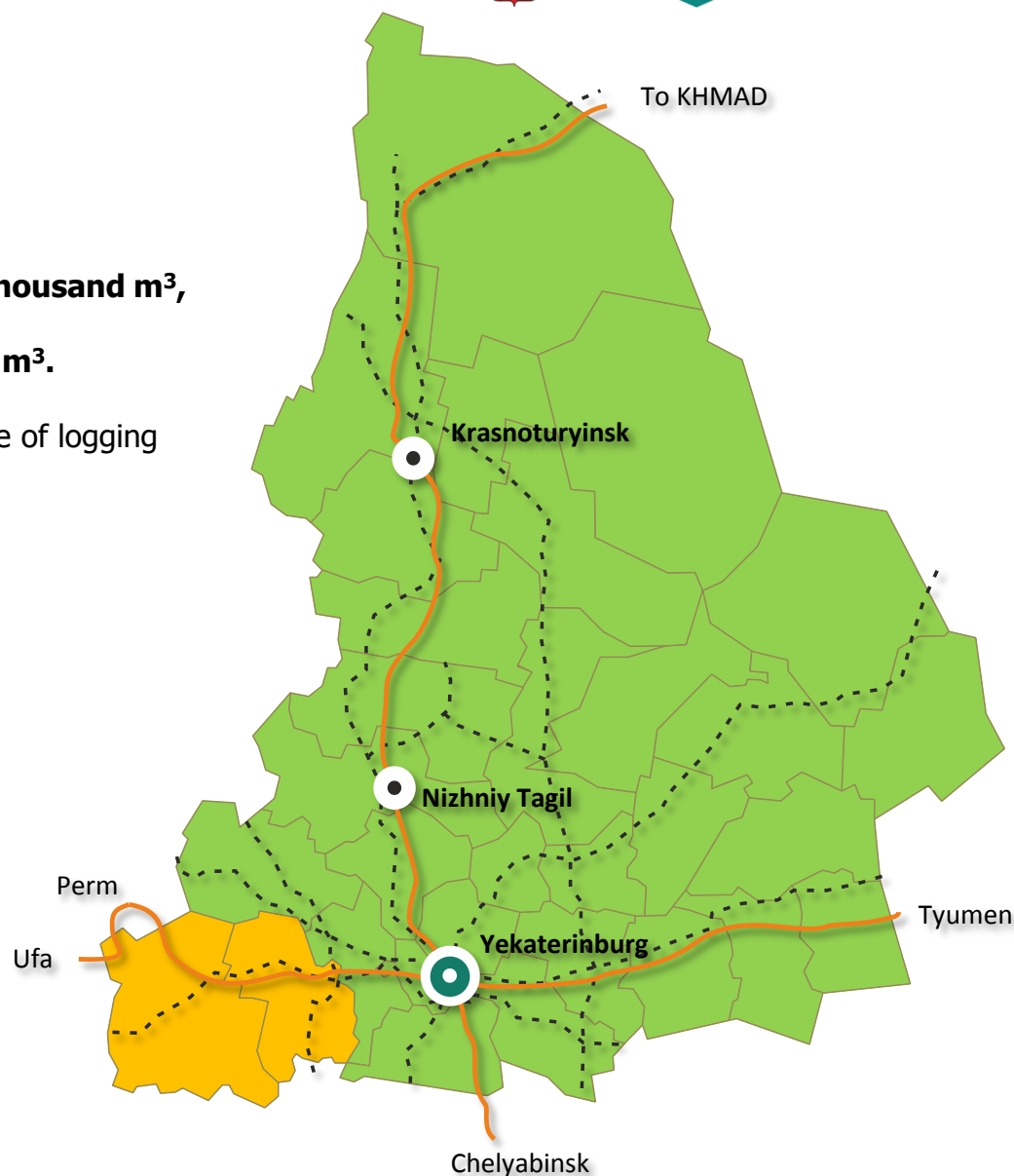
Distinctive features:

- species composition, different from the rest of the territory of Sverdlovsk region;
- scattered location of plots, the presence of water obstacles.

Transport infrastructure:

Roads and railways connecting the Sverdlovsk Region with Perm Krai. The length of year-round roads, including forest roads is 5518 km. The length of winter roads is 45 km.

Railway stations – Bisert, Krasnoufimsk etc.





We will assist you to avail a forest plot for logging without bidding and at reduced leasing rate if the project is to be developed in Sverdlovsk Region (50% off the regular rate)

Forest plots included in the Forestry Fund are in the ownership of the Russian Federation however the forests in these areas are managed by the Government of Sverdlovsk Region



The Standard procedure of obtaining the forest plots through the bidding

A participation in the Auction for an Opportunity to Sign an Agreement to lease the forest plots

Signing the Agreement to lease the forest plots

Obtaining the forest plots for a lease with 100% payment plus the cost of the timber withdrawal



Obtaining the forest plots through the Priority Investment Project without the bidding

Submitting an Application for acquiring the Status of the Priority Investment Project

Coordinating the Application with the Federal Forestry Agency of the Russian Federation

Approval of the Application by the Ministry of the Industry and Science of Sverdlovsk Region

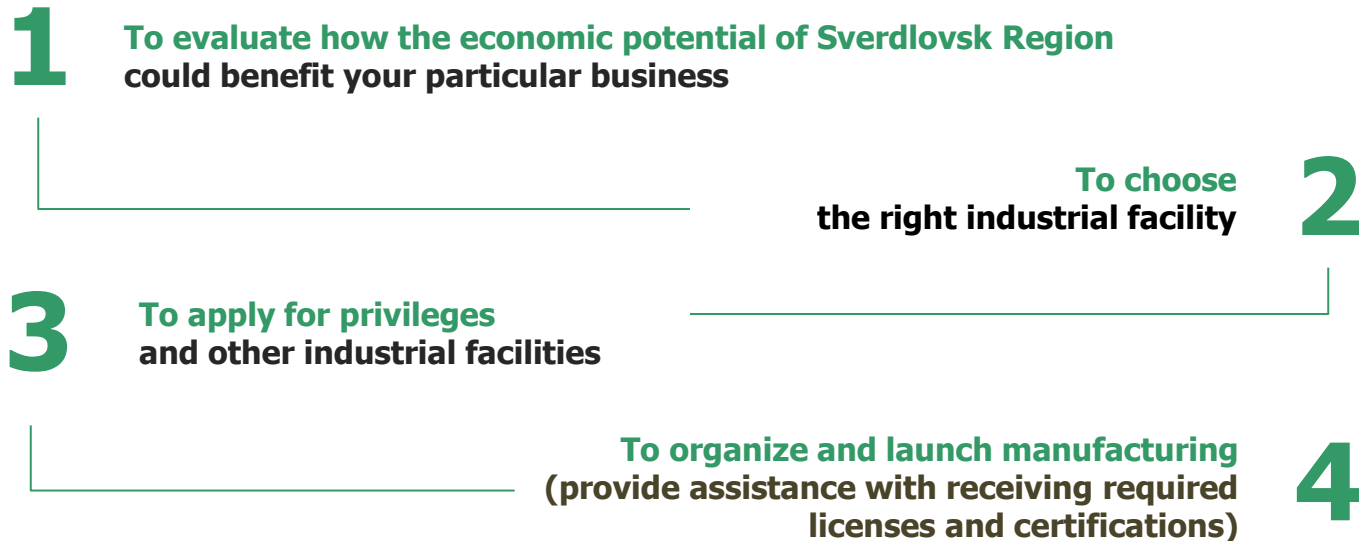
Coordinating the Application with the Ministry of Industry and Trade of the Russian Federation and awarding the Status of the Priority Investment Project



DEVELOPMENT CORPORATION OF SVERDLOVSK REGION

The Special Commission of the Government of Sverdlovsk Region established specifically to assist business in developing the investment projects

4 Steps together with the Development Corporation of Middle Ural towards entering the regional market





DEVELOPMENT CORPORATION OF SVERDLOVSK REGION

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