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Increasing harvesting activity in Finnish forests

Finnish non-industrial private forest owners are planning more harvests compared to previous year, which is indicated by a report about intended fellings in January-February and published by Forestry Development Centre Tapio. Especially the intended regeneration fellings reported in February have increased a third to 3 900 hectares. Comparably, thinnings are reported on 15 200 hectares, giving a 19 % increase.

- Compared to the high peak of December 2009, the felling activity is still considerably milder. The decrease in planned fellings was to be expected and the slowdown was actually somewhat smaller than anticipated, **Ritva Toivonen**, Director General of Forestry Development Centre Tapio, adds.

- The exceptionally high figures of December derives from the temporary tax relief decreased to 25 % in the turn of the year, explains Toivonen. Until the end of year 2009, forest owners received a 50 % tax relief from timber sales incomes, increasing the net profit of timber sales by approximately 6-7 Euros per c-m. She also estimates that the good winter has also supported wood procurement activities. Frozen land and sufficient snow cover enables fellings in all parts of Finland without doing damage in the process.

Economic revival increases the use of wood

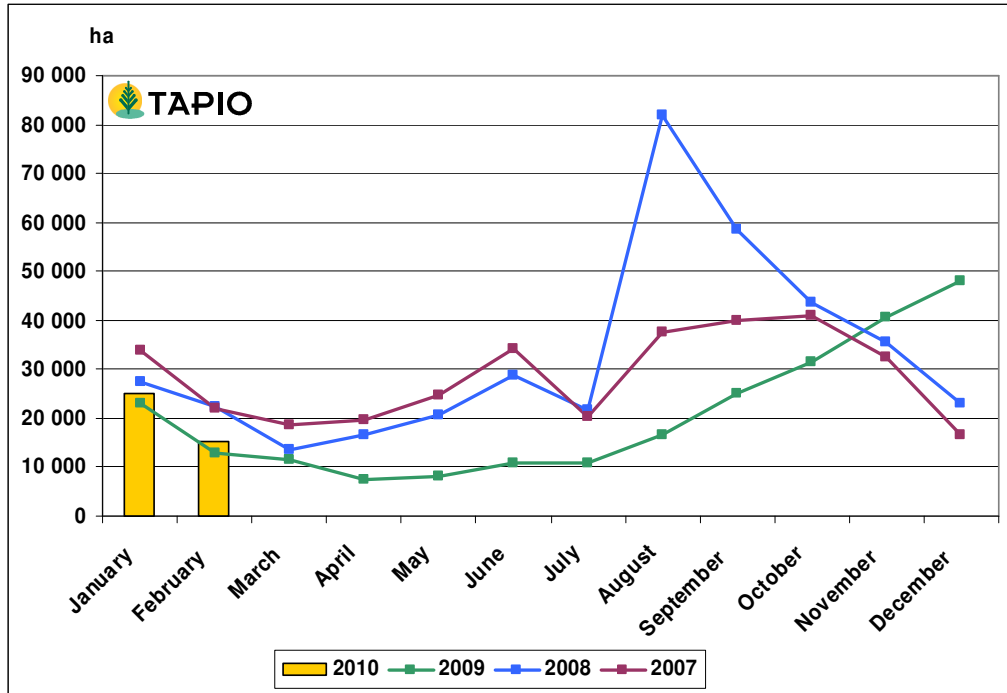
The increase in fellings indicates a delicate revival in the Finnish forest cluster after a sharp decline launched by the global financial crisis in fall of 2008. Although the European paper market remains challenging, the prices of pulp have risen substantially over the past few months. Similarly, the construction industry is estimated to grow this year and the need for sawn timber has an impact on roundwood market. In general, more wood is estimated to be needed this year compared to previous year, according to the predictions published by research institutes. This is anticipated to be reflected both on roundwood sales and harvesting activity this year.

- We must hope the positive development continues in the following months. We may also expect the growing activity on the energy wood markets to continue this year, notes Director **Ari Eini** from Forestry Centre Central Finland.

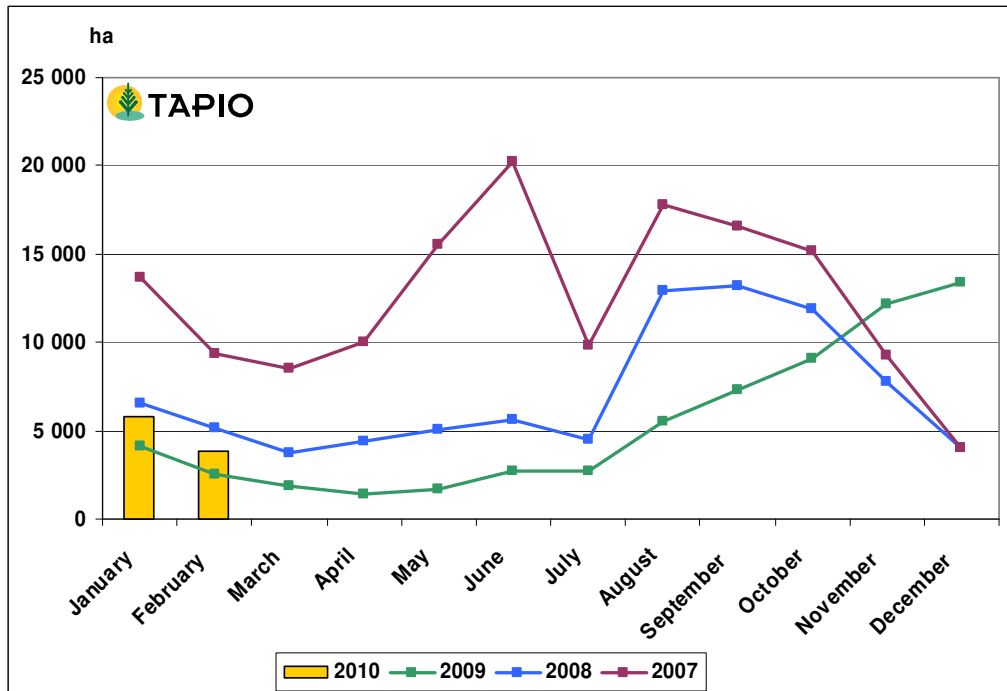
The rise in the intended harvesting activity is shown in the area reported in mandatory forest utilization notifications at least 2 weeks or at most 2 years prior to forest utilization e.g. thinning or regeneration felling. Therefore the statistics, gathered by regional forestry centres and reported by Forestry Development Centre TAPIO, can be used to estimate the upcoming fellings.

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Picture 1. Intended thinnings in non-industrial private forests, hectares



Picture 2. Intended regeneration fellings in non-industrial private forests, hectares

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Additional information:

Director General Ritva Toivonen
gsm: +358 40 528 8412

e-mail: ritva.toivonen@tapio.fi

Chief of Communications Jan Lindström
gsm: +358 400 484 957

e-mail: jan.lindstrom@tapio.fi

Expert in Forest Economics Olli Mäki
gsm: +358 40 192 1870

e-mail: olli.maki@tapio.fi

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