



TITLE: Survey on timber-enterprises operations and the forest export management based in the village of De Kastri. Study of violation and resources for the inspection institutions and local activists from the group *Nadezhda*

REGION: Khabarovski
DISTRICT: Ulchski
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SUMMARY

There are a number of timber enterprises working in the village of De Kastri including those that export round timber, and one company exporting sawn timber. The joint stock company *De Kastri-Les* is the main timber enterprise, its director is Mr V.M. Fyodorov.

At present the *De Kastri-Les* is in crisis and, on some evidence, due to become bankrupt. As a rule, such a situation encourages the appearance of numerous small-scale timber producers working mainly illegally or breaking cutting practice rules. Moreover, a company like *De Kastri-Les* becomes a legal timber wholesale-exporter.

PURPOSE

- Disclosure of the real state of affairs in the leading company as well as a market position of small-scale enterprises
- Assessment of the existing forest offence proceedings and the correlation between the forest business and the fast growing oil transportation from Sakhalin
- General conditions and life status in the village.

INTRODUCTION

The company has made a significant reduction of its staff and budget within recent years. At the moment there is only one of four production sectors that provides a relatively stable timber supply while the other sector reaches only 20% of its capacity production.

The others have been broken up. According to the survey carried out along the routes leading to the central lower timber landing based at the De Kastri port, the timber delivery frequency does not exceed one timber truck per hour. There are the *Ural* trucks which are usually used and are able to carry more than 20 cubic metres of timber. Thus it's possible to conclude that the volume of tree felling is rather insignificant for such a large-scale timber enterprise. There has not been more than 100.000 cubic metres of round timber in the lower timber landing. This fact indicates that the inventory level is much lower than standard.

FINDINGS

Delays in wage payments in the company usually extends to two months. The average salary is about six thousand rubles, and goes up to 10 thousand rubles - the highest level for drivers of timber transporters. According to the data of the De Kastri forest management, given by Mr Valeri Adikin, the allowable cutting area of the JSC *De Kastri-Les* was worked out in the previous year at less than 20 %. At the same time the *De Kastri-Les* remains the most significant exporter in the village. The services of the company are used by many small-scale forest enterprises such as the companies like *The Nord*, *The Taiga*, *The Vostoknefteprodukt*, the *E.Peryshkov Private Enterprise*, the airline company *Vostok*, the *Simonyan Private Enterprise*, *De Kastri Forest Management*, the *Khabarovsk Region Gosspetsmorinspektsiya*, and the *Kleshevich Private Enterprise*.

The second most important timber enterprise in the forest industry complex is the JSC "Trading House", which is headed by the director Mr Laszlo Sverinyak, and is also an independent exporter. Despite relatively small volumes of harvesting, in the range of 150.000 cubic metres, the enterprise is highly efficient and ensures the highest salary level among the timber enterprises based in the Khabarovsk Region.

The timber export deliveries from the village of De Kastri are provided under the strict control of the officers of the boundary control point, Mr Stanislav Ivanov, the Chief, and the Customs house. There hasn't been any type of timber amendment for smuggling because all the timber has the same uniform quality. All the necessary document procedures are carried out properly. Customs duties and payments are checked. All the contacts between the companies and the port (Captain of port is Mr Vladimir Borisov) are built on the contemporary commercial basis.

The impression after the inspection of the places of timber harvesting, provided by the De Kastri timber enterprises, is depressing. The loading and depot areas have been damaged by the tread caterpillars. There are wide runways and trees alongside the driveways damaged by the equipment. There is a huge number of deserted damaged forests, mountains of felling waste, which are entirely fresh and have been here for many years. Due to the De Kastri forest management it depends on the SJC De Kastri-Les in many respects, and because the forest management itself became a

timber supplier and exporter, there is no control of the felling operations and regulations. No one has been punished. It is entirely the inhabitants of the village who work in the De Kastri timber companies. The problems in the timber industry causes an out-flow of the labour force to the oil terminal construction project.

RECOMMENDATIONS

- The Khabarovsk Region forest management authorities should regularly provide inspections of the De Kastri's operations and the local timber producers
- The Khabarovsk and Komsomolsk environmental organisations should contribute greatly to the activists of the *Nadezhda* Group, to provide public control of the company operations based at Siziman Bay
- The initiative-taking group should be given an advisory and practice support on publication of the local independent newspaper.