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## Means to improve wood availability

*It was recommended in the conclusions of the first phase of the Future Forum on Forests that the new emphasis in forest policy should be on wood availability. To secure wood availability to the processing industry at a competitive price was found to be the most essential means for forestry to prevent the threats of globalisation to the present-day forest sector.*

### Subsidies and taxation seen as an effective means

Different means to increase wood availability from the private forests were assessed in an analysis made by the Future Forum on Forests. Twenty experts from the forest sector were interviewed in the first phase. The results of the interviews as well as the earlier conclusions made by the Forum were evaluated in a survey sent to approximately one hundred recipients from whom 68 replies were received.

According to the survey, the weakening of the wood availability was seen hazardous to the Finnish national economy and the forest sector. If the wood availability still weakens, domestic wood will be replaced by import or it may lead to a decrease in industrial capacity in Finland.

According to the respondents of the survey, forest policy has the most essential and effective means to increase wood availability by various subsidies, tax reliefs and by direct guidance aimed at forest owners. The price of wood is an important and obvious factor in the wood supply but by political means it cannot be affected.

Majority of the respondents found all forestry subsidies available to increase the investments on forests by which the wood sales from private forests could be hastened. The weakening of the profitability of forestry would affect the interest in forest sector and thus decrease the activity in wood sales.

However, an increase in forestry subsidies was found more unlikely to occur than changes in taxation. An increase in tax reliefs was evaluated as a possible and rather quickly implemented as well as an acceptable method to revive the wood markets.

According to the survey, by alleviating inheritance tax during generation changes

in forestry estates the practising of active forest management could be improved. By lightening the generation change the ownership of the heirs could be decreased thus preventing the splintering of the forestry estates. Hence the average age of the owners could also become lower.

### Personal guidance found to be essential

One of the most essential means to improve the wood availability for markets was found the personal guidance of the forest owners which could also be implemented in practice. A more individual counselling would enable to serve the needs of the forest owners for their information and service needs. Information should be provided in particular to those forest owners living in cities and in other densely populated areas. According to the survey, emphasising the economic viewpoints would increase the activity in wood sales.

Most of the respondents estimated forest planning to develop further, if competition in the producing of forest services increased. According to the survey, forest planning will be able to give support to the wood availability on the markets, if it is used as a managerial tool of the forest owners. This particular means would require forest planning to be made more easily available as well as opportunities to use alternative estimates in making the decisions on the use of forests.

### Alternatives in forest ownership

The respondents of the survey estimated that the regulations and recommendations in forestry should be opened up in order to make more individual forestry practices available. However, the opening up of the regulations and recommendations should take place moderately and for example

Table 1. Estimates on the means of forest policy for affecting the increasing of wood availability.

	Significance from the viewpoint of wood availability	Implementation probabilities
The amount of subsidies increased as a whole	++	-
The structure of the subsidies to be directed towards tax reliefs	+	- /0
Inheritance tax renewed to alleviate the generation changes in the forestry estates	++	+
Greater tax reliefs to be utilised in procurements	-	-
Guidance of the forest owners steered towards more personal counselling	++	+
Individual economic profitability of forestry more emphasised in the personal guidance	++	+
Forest owners provided with service coupons as a substitute for forestry levy, services may be purchased from various suppliers	0	-

Significance: ++ = great significance, + = significant, 0 = moderate significance, - = harmful significance. Probability: + = probable, 0 = unlikely to be more probable than improbable, - = improbable.

the recommendations on rotation periods should not be altered too excessively.

Joint ownership and the growth of the forest estate units were assessed to increase wood availability to the markets. Undivided forest estates owned by the heirs were estimated to already hinder the wood availability in the markets.

The experts wished for diverse forms of joint ownership and administrative alternatives. For example, more research and comparative measures should be taken on the possibilities of forest ownership as limited companies.

#### Other current news

Finnish Forest Research Institute has continued its work on the Future Report which is a part of Finland's National Forest Programme. The report will be finalised in April 2006 and it will be used in the 'Future Report of the Forest Sector'

published by the Ministry of Agriculture and Forestry of Finland later in 2006. The work on the Future Report is coordinated by Senior Researcher Lauri Hetemäki from the Finnish Forest Research Institute and Secretary-General Marja Kokkonen of Finland's National Forest Programme, Ministry of Agriculture and Forestry.

The implementation team and the group of experts of the Future Forum on Forests discussed in a joint meeting the bottlenecks of the future studies of forestry in December 2005. More information would be needed in particular on the entity formed by climate policy, energy management and the impacts of the sources of livelihood of the forest sector. Another essential bottleneck was the information on people's values as well as on the changes in the demand of wood products in the future.

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