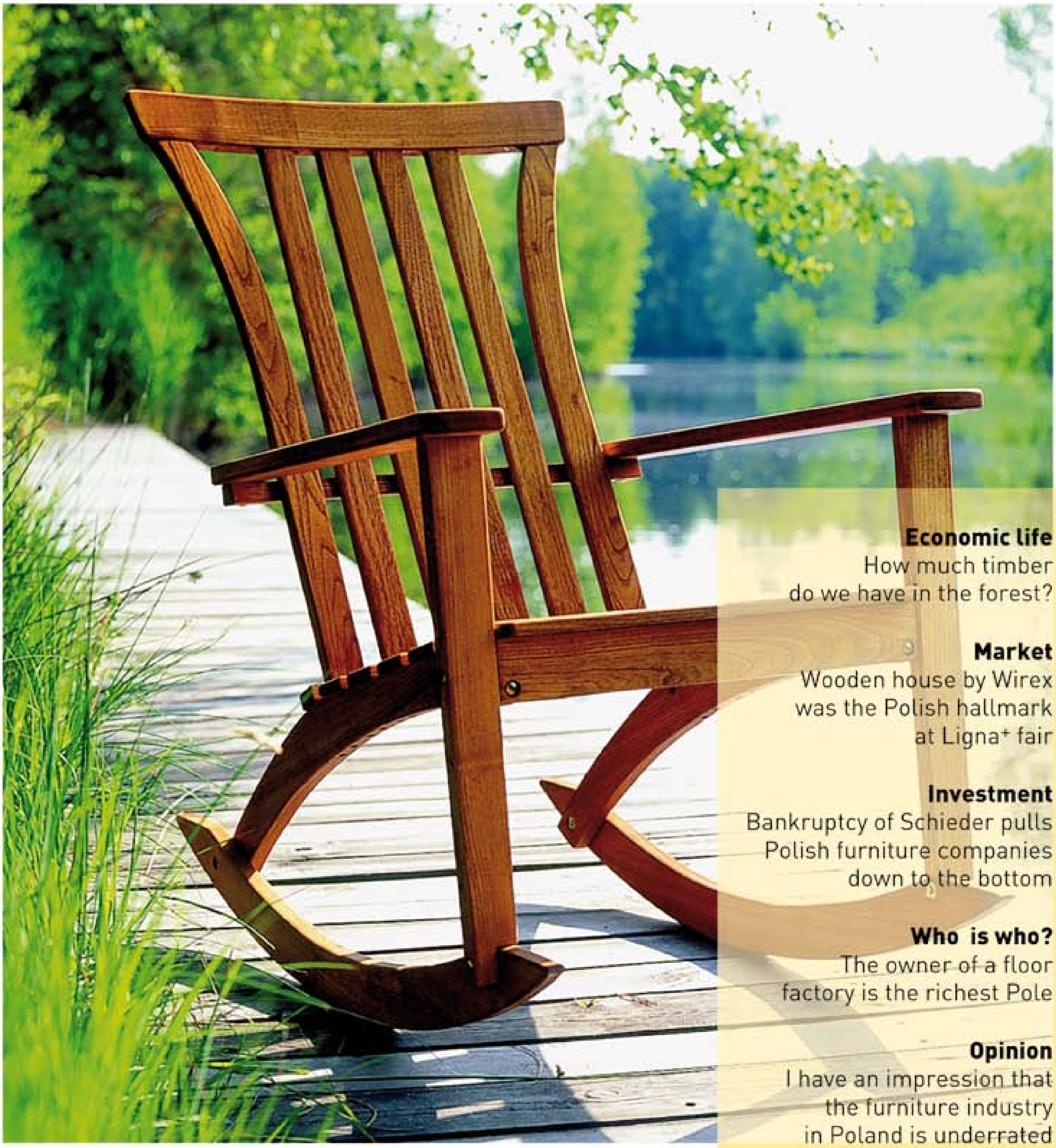
0002/09/2007

Market in Poland

forestry · wood · furniture



Economic life
How much timber do we have in the forest?

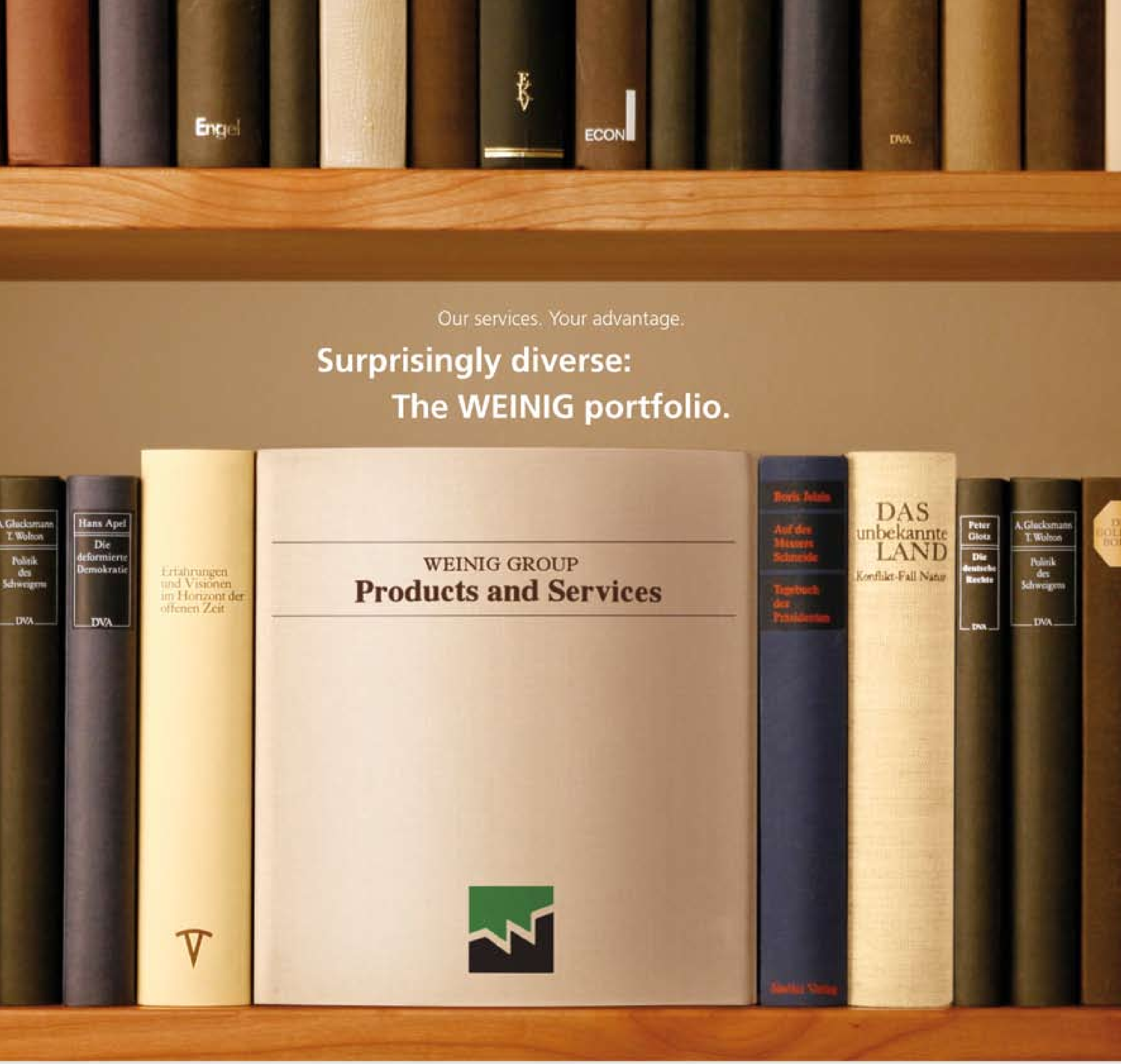
Market
Wooden house by Wirex was the Polish hallmark at Ligna+ fair

Investment
Bankruptcy of Schieder pulls Polish furniture companies down to the bottom

Who is who?
The owner of a floor factory is the richest Pole

Opinion
I have an impression that the furniture industry in Poland is underrated

Circulation: 8000 issues / ISSN 1653-9977



What can we do for you?

Your one-stop-shop: In line with this principal, the WEINIG Group offers a unique complete range of machines and systems in all performance categories – modern solid wood processing for almost every task. Tailor-made services help you to concentrate on the matter in hand. And for large projects – from the planning stage right through to installation – our expert WEINIG Concept is ready at all times. To help you expand your advantage in the market.

VORSPRUNG AUSBAUEN.

WEINIG GROUP

WEINIG . WACO . GRECON . DIMTER . RAIMANN . CONCEPT www.weinig.com

Gazeta przemysłu Drzewnego

Jakie są perspektywy możliwości zwiększenia pozyskania drewna w lasach? > (str. 4)

Szlifierka przystosowana do obsługi przez osoby niepełnosprawne. > (str. 37)

System, który zwiększył bezpieczeństwo. > (str. 47)

ISSN 1732-4017 Nr 8 (127) | sierpień | 2007 Nakład 20 000 egz.

RYNEK SUROWCA | Leśnicy uważają, że ceny drewna są zbyt niskie

Wzrosną ceny drewna?

Zdaniem Rady Krajowej Związku Leśników, ceny drewna powinny rosnąć proporcjonalnie do wzrostu cen produktów drzewnych.

MAŁGORZATA WNOROWSKA

Leśnicy z zazdrością patrzą na boom budowlany, z którego profity czerpią przede wszystkim producenci wyrobów drzewnych. Według danych Rady Krajowej Związku Leśników, w RP ceny materiałów budowlanych wzrosły w ciągu tego roku o około 50 proc., ceny drewna w Europie od 20 do 50 proc., natomiast przewidywany wzrost cen drewna osiągnięty w roku 2007 przez LP to zaledwie 6 proc. „W związku z tym, Rada Krajowa wnosi o pilne podjęcie renegocjacji cen drewna" – czytamy w piśmie skierowanym do Andrzeja Matysiaka, dyrektora generalnego Lasów Państwowych. ...

Średnie ceny zakupu *poszczególnych sortymentów drewna na koniec pierwszego kwartału 2007*

... płac uznając, że średnia płaca brutto w lasach, wynosząca 4,2 tysiąca złotych, to za mało. „Rada Krajowa ZLP w RP stwierdza, że średnie wynagrodzenia w Lasach Państwowych były w 2006 r. niższe niż w roku 2005 o 2 proc., a wzrost płac w kraju wyniósł ponad 5 proc. W marcu 2007 r. wynagrodzenie w gospodarce narodowej wzrosło o 9 proc., a średnia płaca w Lasach Państwowych za cztery miesiące spadła o 12 proc." – czytamy w liście ZLP. ...

Wzrost o 6 proc. cen surowca, o którym piszą leśnicy, to tylko oficjalne liczby, które podają LP, by nie drażnić odbiorców. A przecież wciąż jeszcze rosną ceny surowca na e-drewno. Po to przecież został wprowadzony ten system, by uruchomić mechanizmy rynkowe, które będą regulować cenę według stosunku popytu do podaży. Leśnicy nie są jednak zadowoleni, że komputer odebrał im rolę negocjatora cen, sprowadzając do roli li tylko administratora obszaru leśnego. ...

ZLP – o zastoju cenowym surowca drzewnego.
Corocznie Główny Urząd Statystyczny podaje średnią cenę sprzedaży drewna, uzyskaną przez nadleśnictwa w trzech kwartałach danego roku. Statystyki za rok 2006 wskazują na kolejny rekord w wysokości uzyskanej ceny w ciągu ostatnich siedmiu lat.
Średnio za kubik drewna płaciliśmy 133,70 zł, czyli o 2,35 zł więcej niż rok wcześniej. Sięgając wstecz do roku 2003, mówimy o wzroście cen nawet o 26 zł na metrze sześciennym. W pierwszym kwartale 2007 roku ceny drewna tartacznego wzrosły średnio o 4 procent w stosunku do analogicznego okresu roku 2006. Najbardziej podrożała brzoza (+10 proc.) oraz sosna (+9 proc.). Spadły natomiast ceny świerku (-5 proc.) i dębu (-3 proc.). ...

W numerze:

... wherever they process wood ...

LET ME INTRODUCE...

Market in Poland
2/09/2007

Market in Poland – forestry · wood · furniture is a specialist English-language magazine describing economic issues along with presenting forestry, wood and furniture markets in Poland. It is edited by the finest experts dedicated to these fields of the economy for over 10 years. Market in Poland is published by Wydawnictwo INWESTOR (Inwestor Publishing House), the leader in the specialist press sector on the Polish publishing market and the publisher of „Gazeta Przemysłu Drzewnego" (Wood Industry Magazine) and „Meblarstwo" (Furniture Industry) - the magazines is read every month by 40 000 various entrepreneurs, operating actively in the wood and furniture industry.

New possibilities

Upon the accession of Poland to the European Union, the Polish wood industry joined the European leaders in the following trades: furniture, floor manufacturers, wooden pallets or small garden architecture manufacturers. In 2005, Polish furniture exports brought in over 4.38 billion Euros. Poland was the fourth on the list of the most important world exporters, after China, Italy, and Germany, and before Canada and the USA. The opening of the European borders brought foreign investors, as well as the most up-to-date technologies, to plants manufacturing wood-based board and furniture in Poland. It only depends on us to take advantage of the favourable conditions and emphasise our presence on the world markets even more.

Aim

The aim of the magazine is to make foreign business entities, operating within the broadly defined wood and furniture industry, interested in Poland as a country with an advanced wood and furniture industry. Consequently, we would like to encourage foreign companies to invest in joint venture projects in Poland and to use the services of Polish sub-suppliers of materials, components, and ready-made products. Market in Poland is a magazine aimed at decision-makers operating in the wood and furniture industry, and being the potential partners of Polish companies with regard to production co-operation and the distribution of ready-made products and components manufactured in Poland on the European and world markets.

Target Group

1. Middle and senior managers interested in co-operating with Polish entrepreneurs operating in the wood and furniture industry.
2. The authorities and members of trade organisations, chambers, and associations.
3. Consulting and distribution companies, as well as purchase groups in the furniture and construction joinery trade.
4. Embassy Commercial Counsellors.

Distribution

Market in Poland forestry · wood · furniture is distributed through:

- targeted dispatch to: foreign commercial, distribution, and consulting companies, members of foreign trade organisations, purchase groups in the furniture and construction joinery trade (Wydawnictwo Inwestor database);
- distribution among visitors and exhibitors at the most important foreign trade fairs.

The trade fairs are carefully selected both with regard to the subject matter and with regard to attractiveness to advertisers.

Market in Poland is printed in distributed in an edition of 8 000 copies.

PREFACE

Małgorzata Wnorowska
Editor-in-Chief „Market in Poland”

Market in Poland
2/09/2007

The Polish timber market is clearly booming. This is probably a result of the development of the construction industry, increase in foreign investments and interest in Polish products abroad. This is a source of satisfaction primarily for manufacturers of construction timber and construction carpentry. Even the furniture manufacturers, Gawin, resolved to open a sawmill, offering timber construction materials in a period of good economic growth. We build apartments, roads and new offices for companies. Also the companies who promote wooden houses have no cause for complaint. Faced with a temporary shortage of such articles as bricks and hollow clay blocks in the market, many individual investors chose to build houses with a backbone system or of log. And new apartments need fitting out - there's an opportunity for furniture manufacturers. New collections, interesting patterns - everybody wants to take the opportunity and do their best to satisfy the growing demand.

But the growth of the construction industry is not the sole reason for the prosperity of the Polish timber market. Transport and tourist industries are growing as well and more and more money is spent on their services. Our industry's latest export hit is exclusive yachts made in Polish shipyards. Of course, what is necessary to produce them is plywood manufactured by Polish companies, who can thus increase their production by investing in processing capability. Some of them endeavour to gain money from the stock exchange. Initial public offerings of several plywood manufacturers can be expected soon.

However, it turns out that the excellent economic circumstances aggravate Polish foresters, who want to increase the price of timber and thus have a share of the demand for timber products as well. What will happen next? If the price of timber in Poland becomes equal to the German price, then the Poles will probably buy the material in the West more and more often.

forestry

CLEAR PROFIT FOR FORESTS

The State Forests may even gain 100 million EUR as a result of joining the European carbon dioxide emissions trading scheme. Such an amount was calculated by Mr. Konrad Tomaszewski, an analyst of the State Forests. According to the representative of the State Forests such financing is a breakthrough on a European scale. The State Forests have been financed from one source only so far, that is from timber sales. It should change after joining the carbon dioxide emissions trading scheme. Getting profits in that way is compliant with the Kyoto Protocol and the Climate Convention, but it is an innovative solution as far as the European Union is concerned.

CO-OPERATION BETWEEN POLISH AND GERMAN FORESTERS

Foresters from Poznań have been co-operating closely with foresters from Lower Saxony on the Baltic Forest for two years, and preparing an agreement with them. It will probably be signed on 28.09.2007 during the Forest Forum. In October 2005 an agreement was signed on the co-operation with foresters from Hessen. In the spring of 2007 two foresters: Ireneusz Niemiec from the Babki Forest Division and Maciej Budny from the Włoszakowice Forest Division attended a course in Hessen-Forst based on arrangements with the German party and support of the Polish-German Cooperation Foundation. Now it is time to pay a return visit. Two foresters from Hessen are staying in Poland from 1st to 28th of August; they are Iris Beisheim and Christian Hartmann. During their stay they will visit several forest divisions and will learn about the details of the operation and management of Polish forests.

Foresters from Hessen-Forst at the Forest Division in Gniezno

Law suit for return of a forest dismissed

On 2nd August, 2007 the District Court in Szczytno dismissed the lawsuit of an inheritor who, two years ago, sued Jedwabno Forest Division (representing the State Treasury) for the return of 15 hectares of agricultural property of a former pre-war owner in Małszew (gmina Jedwabno).

In April 2006 the District Court at a closed session ruled to stop management activities at the forest area of around 2,500 hectares. Due to the effects which could harm the tree stands in that area (the timely completion of growing and protection work), Jedwabno Forest Division immediately appealed to the District Court in Olsztyn. Fortunately that Court overruled the decision of the District Court in Szczytno in May, 2006. In the course of further proceedings the District Court in Szczytno dismissed the lawsuit. The court's decision is not yet legally valid.

CONCERNS ABOUT FOREST CERTIFICATION IN POLAND

The recent suspension of two Regional Directorates in Poland raises concern in the wood processing sector in Poland. With close to 400 FSC certified wood industries in Poland, the timber sector is highly dependent on supply of FSC certified raw material from the Polish state forests.

Out of the 17 state forest regions in Poland, 16 have been FSC certified while one region (Krosno) did not accept the terms of certification requirements. Two regions (Poznan and Pila) were recently suspended by SmartWood due to problems in meeting FSC requirements related to the health and safety of forest workers as well as nature protection issues.

According to SGS Qualifor, one region (Bialystok) currently certified by SGS is at risk of suspension due to violations of the certification requirements. The certificate of another region (Katowice) certified by SGS will expire in July, and the region has not started a re-assessment process.

FSC, SmartWood, SGS and NEPCon are working on finding solutions on the issues through meetings with representatives of the state forests, timber industries and other stakeholders.

More information: An updated list of valid certificates in Poland can be found on www.fsc-info.org.

wood

POLES PREFER TO VISIT CASTORAMA

Castorama, visited by 13% of respondents during the last three months, was ranked first among stores selling building materials in Poland.
The “Master of Trade and Services” competition organised by MasterCard awarded the best trade outlets according to the range of goods they offered.
Among building stores Castorama is the outright leader; the store was visited by 13% of respondents within the last three months.
Second place was taken by OBI (9% of respondents) and Leroy Merlin (6%). Less popular were Praktiker, Nomi, Bricomarche, and Mrówk.
Castorama was also evaluated for the range of goods they offered, customer service standards, prices and location and scored 5.29 on average (in a scale of 1 to 7). Customers evaluated Leroy Merlin quite similarly and gave 5.05 points to it, while OBI got 4.95 points.
Castorama, the leader of the ranking, has 34 outlets throughout Poland, where it employs around 5,000 people.
To compare figures, 3,800 people work in 28 outlets belonging to OBI. In 2006, the leader managed to achieve the highest sales of around 2 billion PLN among building stores.
For instance, 32 NOMI outlets sold goods for 480 million PLN.

PRIVATISATION OF STORA ENSO POLAND S.A.

Stora Enso Oyj placed an offer to purchase 27.96% of the stock of Stora Enso Poland S.A. with its registered office in Ostrołęka. Only one offer was submitted within the time limit after the announcement of the Ministry of the State Treasury.
So far, Stora Enso Oyj has had a majority of the company shares amounting to 65.5% of the total number.
The Finnish concern Stora Enso Oyj intends to invest over 300 million EUR in Poland.
The completion of the privatization of the company in Ostrołęka is a necessary condition to implement that project. According to Mr. Henryk Mikołajewski, vice-president of Stora Enso Poland, the plant in Ostrołęka is one of three locations the Finnish concern is interested in.

TERRACE BOARD MADE OF SIBERIAN FIR WOOD

Grooved or smooth Siberian fir terrace boards from dried saw timber, 4-side planed, class AB is a new launch recommended by Timber Plant Vox Industrie SA. Siberian fir wood features high mechanical strength comparable with hardwood and exotic wood.
Siberian fir terrace boards are resistant to changing weather conditions and that is why they are recommended for use outside buildings on terraces, paths, balconies and in garden houses.
If they are correctly laid (with no permanent contact with soil), there is no need to additionally protect them with chemicals (no need for painting.) If the material is left in its natural form it will taken on a noble colour in the course of time.
Many different dimensions of Siberian fir terrace boards are available.
Currently, the following dimensions are available at the company warehouses: 27x120x4000, 24x114x4000, 32x170x4000, and 34x140x4000.

GOOD MARKET CONDITION FAVOURS KPPD

Koszalińskie Przedsiębiorstwo Przemysłu Drzewnego SA, (Koszalin Timber Industry Enterprise, a joint stock company), a manufacturer of sawn timber and a garden line products, announced its financial results for the first half of the year.
Favourable market conditions maintained from the beginning of this year has been translated to both sales dynamics and the financial result.
The profit of 8 million PLN forecasted for 2007, was exceeded right after the end of the first half of the year.
Because the company wanted to use the increased demand for its products to its advantage, it increased its production, i.e. timber sawing by 6% compared to the plan (mainly via accelerated purchase of timber in the annual guaranteed supplies and tenders.)
The company achieved revenues of 127.448 million PLN (2006: 109.261 million PLN) during the first two quarters of 2007.
Operational profit amounted to 11.576 million PLN (2006: 4.278 million PLN,) while net profit was 9.282 million PLN (2006: 2.810 million PLN.)

furniture

VOX FOR GWYNETH PALTROW AND SINEAD O'CONNOR

Gwyneth Paltrow, the American film star and Chris Martin, Coldplay frontman bought a furniture set manufactured by Meble VOX for their children. The set includes a baby bed, a chest of drawers, and a changing table. All furniture is from the Moderne collection, unavailable on the Polish market so far. Unfortunately, the furniture set was bought under the American NettoCollection Brand, with which Vox has been collaborating for several years, and the purchasers probably do not know that their furniture was produced in Poland.

Moreover, VOX can also boast that they supplied furniture from the Modern collection to Sinead O'Connor's dressing room at her concert in Poznań. The collection's main feature is its original modern design, the geometric look of the furniture and the warm colour of wenge wood. Both the minimalist design of furniture and carefully selected decoration from an original collection correspond with the ascetic style of the Irish star.

MIKOMAX FOR IT SPECIALISTS

Fabryka Mebli Biurowych Mikomax (Office Furniture Plant) was selected as the only supplier of furniture for the new headquarters of DELL, which will be built in Łódź. Mikomax will equip both workstations and staff lounges. The order value is 1.2 million PLN and will be completed in two stages. In total, two enormous open plan offices will be equipped, where several hundred people will work. Mikomax will equip 480 workstations, and provide 180 staff lounge tables and 1,600 chairs and seats of various types. It is another Mikomax success in this field. Mikomax said it also planed to equip over 500 workstations in Russia and Ukraine. This will involve 150 workstations for the staff of the Moscow branch of Cetelem Bank. Mikomax will provide offices with desks, containers and cabinets. The company has recently won a tender for the full equipping of the headquarters of Nokia Ukraine, for 125 complete workstations.

ERP AT THE BALMA FURNITURE PLANT

Fabryka Mebli BALMA SA, started implementation of the SAP system in July, 2007. The system has been implemented by 7milowy, a supplier of ERP solutions for medium-sized companies. The goal of the collaboration of the two companies is to develop a system dedicated to the furniture industry.

–'Thanks to the combination of our customer's experience with the possibilities of a world class product such as SAP, we have been building one of the first solutions dedicated to the furniture industry, taking to consideration its special features and conditions of the Polish market' – says Mr. Krzysztof Justynowicz, Trading Director of 7milowy sp. z o.o. (7-milowy, a limited liability company.)

The SAP system will start operation at Balma in February, 2008. Until that time, a wide range of SAP solutions will be implemented including logistics management, production planning, bar code warehouse planning, sales and distribution management, human resources management, finance management and control. The solutions designed will be fully integrated with the internal applications suitable for a furniture company.

–In today's conditions only a company carefully attending to the quality of its products gains the recognition of customers. This is the goal of implementing the management support software – says Mr. Michał Balcerkiewicz, president of the board of BALMA SA – We have selected SAP, because we choose only ambitious goals. With this system we plan to shorten the production cycle, speed up the order completion time and reduce stock at the warehouse.

Market in Poland
forestry · wood · furniture

Publisher
Wydawnictwo Inwestor
ul. 30 Stycznia 42, 83-110 Tczew

Editorial office
ul. 30 Stycznia 42, 83-110 Tczew
tel. +48 58 531 27 53
faks +48 58 531 27 53
e-mail: inwestor@drewno.net

Circulation
8 000 issues

Editor-in-chief
Małgorzata Wnorowska
tel. +48 603 934 502
gosia@drewno.net

Section editors
Filip Jackiewicz, filip@drewno.net
Alicja Bagnucka, alicja@drewno.net
Sylwia Marciniak, s.marciniak@drewno.net
Bartosz Rief, bartek@drewno.net

Advertising
Marcin Juwa, juwa@drewno.net

Proof-reader
Joanna Trawińska
joanna.trawinska@drewno.net

DTP
Wiesław Dobosz, dobosz@drewno.net

English translator
Skrivanek Sp. z o.o.

Subscription
Market in Poland
ul. 30 Stycznia 42
PL- 83-110 Tczew
www.marketinpoland.pl

Cover photo:
Haste Garden

C O N

T E S T S

DYNAMIC EXPORT AND IMPORT

The good condition of both Polish and European economies enables maintaining a two-digit value of export and import dynamics. Data published by the Central Statistical Office shows that between January and the end of May the value of goods exported from Poland was higher by 12% compared to the corresponding period of 2006, at 38.9 billion EUR. In that period, goods of 45.1 billion EUR were imported to Poland, i.e. 14.5% more than in 2006. The negative balance in Poland's foreign trade increased from 4.6 billion EUR to 6.2 billion EUR. According to estimates of economists, export dynamics will reach 15%, while import dynamics will be 18% towards the end of 2007. The higher import dynamics will be caused by, among others, increasing national consumption.
Export and import dynamics will not drop below 10% this year – forecasts Ms. Marta Petka, an economist at Raiffeisen Bank Polska. – Germany is the most important trading partner of Poland, and the German economy is active at the moment. However, we should remember that we had large exports last year but export dynamics will be lower this year as a result of the base effect. Nevertheless, export will be still a driving factor in our economy – she says.

LEGAL WORKERS FROM THE EAST

Since 20th July 2007, Poland's eastern neighbours, Belarusians, Ukrainians and Russians, will be allowed to legally take up jobs in Poland. They will be granted 3-month Polish visas. In order to get the 3-month Polish visa with work permit (not more than twice a year,) it is necessary to submit to the Polish consulate a certificate issued by a future Polish employer confirming that they are ready to employ the applicant. A planter or a president of a Polish company looking for people for work will have to register workers at an employment office. The Ministry of Labour estimates that there are 1.3 million illegal workers in Poland.

THE MOST ATTRACTIVE LOCATION FOR INVESTMENT

According to the latest ranking of The Federation of European Employers (FedEE), Poland is the most attractive location for investment among the 31 countries of Europe. Apart from Poland, in the group of the five most popular countries can be found: Denmark, Gt. Britain, Slovenia and Switzerland.
Poland received a rating of +6 in the FedEE rankings, ahead of all its competitors in the region: the Czech Rep., Hungary and Slovakia.
- Poland has the most competitive workers in Europe – when taking into account the total costs of work in comparison to the quality of work – the PAIiIZ President Dr. Paweł Wojciechowski commented on the findings of the report. – We continue to have great reserves of highly qualified staff systematically raising their levels of qualifications. It's this raising of qualifications and professional mobilisation that are the best ways of fighting against unemployment – added the PAIiIZ President.
In the survey 15 different factors were taken into account e.g. the availability of labour, human resources, relations on the work market and its elasticity, inflation and the work costs. Poland's strongest assets were seen as the availability of a young work force, the presence of women on the labour market and the availability of temporary workers. The status of joint working agreements, the position of trade unions and the average hourly rates of pay, were also seen positively.
source: www.fedee.com

ALMOST 16 BILLION PLN

- The beneficiaries of the financial programs from EU structural funds had received by the end of June over 15.8 billion PLN – said on Tuesday Ms. Grażyna Gęsicka, the Minister of Regional Development (MRD).
Minister Gęsicka presented a report prepared by the MRD relating to the execution of the cohesion policy by Poland and the levelling out of various economic indicators in comparison to EU indicators.
- There's progress. It's clear that amongst the countries that have recently entered the EU, Poland is steadily improving its economic results - Ms. Gęsicka stated. – Poland will develop the most rapidly between the years 2010 – 2014, when the cumulative effects of realising the National Development Plan and the National Cohesive Strategy together with all the changes resulting from the EU accession, come into place – said the Minister.
Minister Gęsicka also mentioned that four years ago the level of GDP per capita was 47% of the EU average, whereas now it has reached a level of 51.3%.
- Poland is the country for testing, in terms of introducing the modern regional policy. The success or failure of which will be seen as the success or failure of the EU regional policy in general – stated the chief of the Polish section of the General Directors of the EU Commission for Regional Policy Mr. Manfred Beschel, who was present at the conference.

MPs not familiar with wood industry problems

On 12 April, at the session of joint environment and economy parliamentary committees, it was discovered that the Members of Parliament who were supposed to talk about the future of the forest and wood sector were not prepared in the content of the discussion. After an hour, the session was postponed.

MAŁGORZATA WNOROWSKA

"If we want to be serious people, then we should treat each other seriously and not treat the issues which need to be thoroughly analysed like a game," said Stanisław Gorczyca MP during the session of the joint parliamentary committees which were to discuss the future of the wood sector".

Pupils get bad marks for not being prepared for lessons. The MPs in the parliamentary committees, although the majority were not prepared for the session, will still receive their remuneration. The same applies to the MPs who entered the room only to sign the list and then leave with no second thoughts.

"It was a disgrace and a total embarrassment," this what the wood companies, who had expected a discussion on the issues connected with the present situation in the wood industry, have to say in this respect.

Paweł Poncyliusz, Secretary of State at the Ministry of Economy who was invited for the session, was not prepared for the "lessons" either. The figures concerning the volume of export, import and capital expenditure quoted by him were taken from last year's document Development strategy for the wood industry. It appears that the Ministry does not yet have the data for 2006. Why is this so?

"The Ministry is gradually abandoning sector strategies and is working on a horizontal approach towards the economy. This new approach will also involve sector analyses, however, the analysis concerning the wood sector has not yet been prepared. It is going to be ready towards the end of the year. The problem with such documents is that they only describe the reality but they do not determine the direction in which the industry is developing because it is the individual companies who decide about it," adds Paweł Poncyliusz.

After a short speech, Paweł Poncyliusz also left the session room excusing himself with other important engagements.

It was another triumph of the forest people represented by the MPs of the environment protection committee, the Minister of Environment, Jan Szyszko himself, and also by the guests invited from the Directorate General for the State Forests. The State Forests had prepared an extensive document entitled Forest economy and wood industry in Poland. Development limitations and prospects. Both Jan Szyszko, as well as Konrad Tomaszewski who is the main analyst for the State Forests, were prepared for their speeches. Andrzej Matysiak, Managing Director for State Forests, also took the floor.

The part of the table at which sat the invited wood industry representatives: Longin Graczkowski, Bogdan Czemko, Marek Kubiak, Wojciech Żelechowski, Marian Dobrzyński, Krzysztof Prymas, Ryszard Nawra, was silent. They simply were not given a chance to speak even though they had come from the most remote parts of Poland.

The last time the situation of the wood industry was the subject of the Environment Protection Committee's session was in 2004. Then the Ministry of Economy provided relevant information on the situation in the wood industry and the MPs were able to prepare themselves with regard to the content of

Jacek Łapiński,
The Ministry of Economy

The Ministry wants to prepare an analysis of the wood industry's competitiveness in the second half of 2007. The analysis will also contain a survey of the wood market trends. We estimate that the pace of the industry's development may reach more than ten percent a year. This will be greatly influenced by the construction industry and the recent sports events: Poland is organizing the Euro 2012 Football Championship and the construction industry will contribute greatly to the work.

the discussion. This time, however, the MPs beat their chests and admitted they did not know enough (nothing actually) about the situation and the conflict between the wood supplier and the recipients, and they backed the motion by Stanisław Żelichowski MP to postpone the committee session by another month. Only Stanisław Gorczyca MP was able to deliver the prepared supplementary paper in which he referred to the materials prepared by the State Forests.

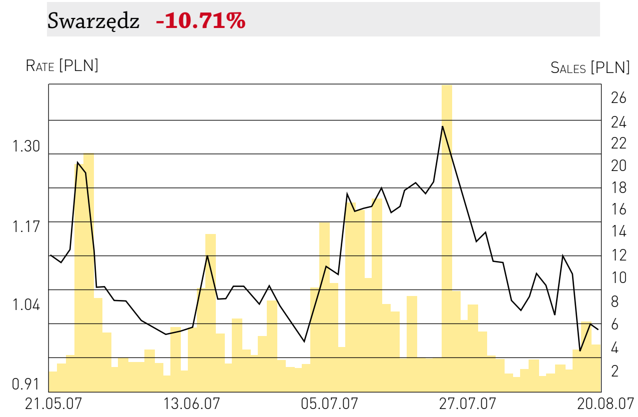
"The committee received a four-paragraph document on the wood industry from the Ministry of Economy, and the Ministry of Environment prepared a document 85% of which consisted of statistics. I would like to ask the Chairman not to embarrass the committee," criticised Stanisław Gorczyca MP. "The document prepared by the Minister of Environment treats the problem of the wood industry rather casually as a set of statistical data. Among the 7 500 entities who buy wood, the great majority are so small that the Central Statistical Office does not survey them at all, and as a result, for example, the level of employment is understated."

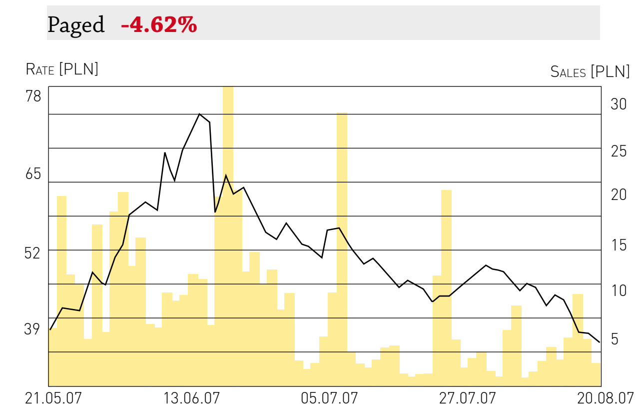
In the document prepared by the Ministry of Environment (and actually by the Marketing Department of the Directorate General for the State Forests) the weak and strong points of the wood industry were also presented.

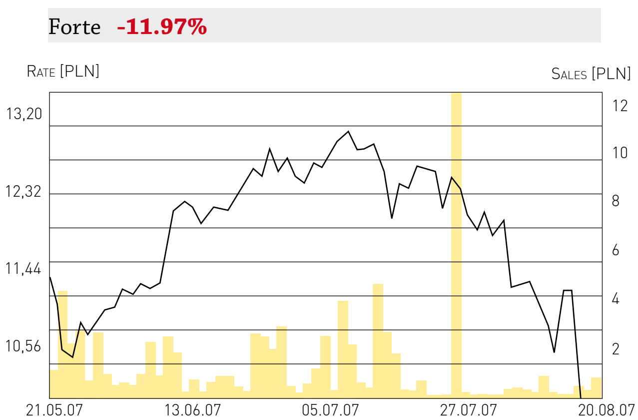
The limitations concerning the wood industry make it seem underinvested, obsolete, and not using its full processing capacity. The basic break on investments in the wood industry is the lack of stability of raw material supplies. And it is actually the State Forests who is the only wood supplier and who decide about the so widely questioned wood distribution method. The document contains too many generalizations without a problem-oriented approach to the matter. The presentation of weak and strong points is not completed with an analysis indicating how to take advantage of the strong points. How are we go ing to enhance positive outcomes? How are we to reduce limitations and weak points? The document does not allow one to form a picture of the state of the wood economy," says Stanisław Gorczyca MP.

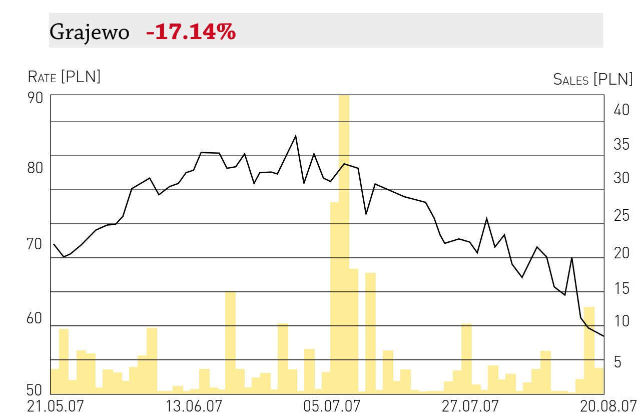
Also, Mirosław Gwiazdowicz and Mirosław Sobolewski, economy system specialists, prepared a report on the analysis by the State Forests:

"The part concerning the forest economy was described extensively and in detail, however, the part devoted to the wood industry was treated rather superficially. It is interesting that the analysis, which originally was supposed to present the position of the ministry and discuss state policy, was prepared by the Marketing Department of the Directorate General for the State Forests, which is an economic unit involved in the shaping of the wood market in Poland, and which in the past has many times been in conflict with the representatives of the industry," the report says.









SWARZĘDZ SA

The Management Board of Swarzędz made an allocation of the 8th offering of stock on 20th July 2007. The value of the offering amounted to over 52,432 million PLN. 98.91% of the 9th offering of stock with the nominal value of 0.50 PLN each were purchased. All stock was purchased at the offering value of 0.70 PLN.

Investment funds also are interested in the company. BZ WBK AIB Asset Management increased its share in the company from 9.38% to 15.71% within a few days in July.

Swarzędz intends to invest funds received from the new offering in a network of company outlets and to increase the overall production capacity, both by the acquisition of other plants and development of the company's own production capacity.

PAGED MEBLE

It seems that Paged Meble will not merge with Swarzędz. The objectives of the parties are too divergent. Swarzędz informed that its Supervisory Board opposed the signing of the letter of intent to merge Swarzędz with Paged.

- The Supervisory Board concluded that after a review of the company's development programme at the current stage they did not see any reason to integrate Swarzędz Meble with Paged Meble and did not give their consent to sign the letter – an announcement informed. Concurrently, however, the Supervisory Board of Swarzędz stated that a merger with a furniture industry investor might be reviewed in the future.

The companies had declared earlier that the final decision concerning the merger would be taken by the shareholders of the two companies.

- The talks are still on, but in my opinion, the chances for completion of this project are lower than 10%. In fact, the decision has already been taken. Paged Meble will carry out a new offering of stock, probably in September or November, and will enter the stock exchange - says Mr. Edmund Mzyk.

Paged Meble has already been looking for a stockbroker house, which will manage the offering. It is said that around 40 million zloty will be raised, but in fact, 20-25 million zlotys will be enough for them to achieve their marketing objectives and promote their brand in the luxury furniture segment, where Swarzędz operates. The owner says that Paged Meble is able to earn around 8 million zlotys this year. This is what the plan assumed for 2006, but then the result was only around one million zlotys.

JAROMA SA

JAROMA Spółka Akcyjna (joint stock Company) in Jarocin will have its debut on the Warsaw Stock Exchange later this year. On 1st June 2007, the General Shareholders Meeting of the company passed a resolution to increase the share capital and to carry out a public offering of stock.

JAROMA S.A. in Jarocin is one of the largest Polish manufacturers of woodworking machines for the furniture industry. The company manufactures machines and equipment for woodworking and wood-derived materials.

– We plan to earmark funds that we receive from sales on the stock market for the development of the JAROMA Group and the distribution network in other markets – says Mr. Lesław Pałosz, vice-president of the Board.

JAROMA S.A. was established in 1937. The company was a state owned enterprise from 1950 to 1994, when it was transformed into a joint stock company.

Since 2002, the strategic investor of the Company has been DATEK, a limited liability company in Wadowice, which holds over 85% of the company's shares. In 2007, JAROMA S.A. bought from the State Treasury a 51% block of shares of Fabryka Sprzętu Okrętowego REMOR SA (Ship Equipment Plant) in Recz, a company working mainly for the construction and furniture industries.

- The offer of REMOR SA supplements our offer addressed to the manufacturers of furniture and window joinery – says Mr. Lesław Pałosz. – Our aim is to build a strong capital group, with an offer addressed to the manufacturers of furniture and window joinery. Those industries have been developing very quickly as a result of the rapid development of housing construction and the comprehensive construction market.

- Our financial results will increase at the same rate as they have so far, or even faster – declares Mr. Jakub Data – President of the Management Board of JAROMA Spółka Akcyjna in Jarocin. JAROMA SA intends to perform further acquisitions later this year, which will be possible thanks to the capital raised as a result of the public offering of stock.

- Our offering prospectus will be submitted to the Polish Financial Supervision Authority in the next twelve days or so. We hope that our offering will be possible in the first days of September – says Mr. Jakub Data, President of the Board JAROMA SA. The stock of JAROMA SA in Jarocin will be offered by POLONIA Net Brokers House, a joint stock company in Krakow.

BARLINEK SA

Barlinek, a manufacturer of natural wood floors, sustained the forecast for the whole of 2007, after it reviewed the 1st quarter financial results - informed the company, which this year plans an increase in net profit to 85.1 million PLN, an increase in EBITDA to 120 million PLN, and an increase in revenues to 551.5 million PLN.

In the 1st quarter of 2007, the net profit of Barlinek increased to 14.1 million PLN from 5.7 million PLN in the 1st quarter of 2006, and revenues increased from 77 million PLN to 108.9 million PLN.

The company's revenues from sales in North America totalled 4.7 million PLN in the 1st quarter of 2007, compared to almost 2 million in 2006, 13.9 million PLN in 2007 compared to 7.2 million PLN in 2006, in Central and Eastern Europe, 26 million PLN in 2007 compared to 15.8 million PLN in 2006 in Western Europe, 37.7 million PLN in 2007 compared to 31.7 million PLN in 2006 in Poland, and 25.7 million PLN in 2007 compared to 19.4 million PLN in 2006 in Scandinavia.

In the 1st quarter of 2007, Barlinek continued the construction of a new floor panel plant with a production capacity of 2 million m^2 annually in Winnica in the Ukraine.

It also purchased real estate in Kosiva in the Ukraine to build a softwood sawmill, which will supply semi finished products to the plant in Winnica, and continued work related to the construction of a floor panel plant in Russia and started construction of a new plant of granulated wood from wet wood waste in Barlinek, Poland.

MONDI PACKAGING PAPER ŚWIECIE SA

According to the consolidated statement Mondi Packaging Paper Świecie SA, achieved revenues from sales of 738.315 million PLN in the 1st half of 2007 (2006: 691.940 million PLN.) Profit in operational activity was 166.565 million PLN (2006: 135.030 million PLN,) and net profit amounted to 138.369 million PLN (2006: 105.743 million PLN.)

The net profit of Mondi Packaging Paper Świecie for the 1st quarter of 2007, increased to 80.1 million PLN compared to 39.3 million in 2006, and was better than the market consensus, which was 71.6 million PLN. In that time, revenues from sales increased to 386.7 million PLN compared to 328.2 million PLN in 2006, and were lower than the market consensus of 403 million PLN. Operational profit increased to 93.5 million PLN compared to 50.1 million PLN in 2006. The average of the analyst forecasts predicted that it would be 89 million PLN. The company informed that it achieved a 13.2% increase in the weighted average price in PLN, which first resulted from an increase of prices in all product groups.

However, the net profit of the Mondi Packaging Paper Świecie Group fell from 66.5 million PLN in the 2nd quarter of 2006 to 58.3 in the 2nd quarter of 2007. Revenues from sales were also lower than expected, and dropped from 363.7 million PLN to 351.6 million PLN during the year, while the forecast consensus showed that it would be 384 million PLN (in the division from 361 to 398 million PLN.)

PFLEIDERER GRAJEWO SA

The Pfleiderer Grajewo Company achieved the consolidated net profit of 22.32 million PLN held by the shareholders of the dominant entity in the 2nd quarter of 2007, compared to 27.88 million PLN of profit in 2006. The Group's operational profit was 41.67 million PLN compared to 43.24 million PLN in 2006.

Consolidated revenues were 348.22 million PLN compared to 257.55 million PLN in 2006. That result is worse than the market expectations, which were 29.9 million PLN on average. Analysts expected a net result of 23.3-35.1 million PLN in that period. In the 1st and 2nd quarters of 2007, the Group had a cumulative profit of 47.77 compared to 42.10 million PLN in 2006, while their turnover was 712.36 million PLN compared to 511.33 million PLN respectively.

According to the individual approach, the company had the net profit of 30.91 million PLN cumulatively in the 1st and 2nd quarters of 2007, compared to 22.42 million PLN in the corresponding period of 2006.

Prospects for the development of the Polish industry of wood based panels

The Polish industry of wood based panels can be competitive in today's conditions only if panels are manufactured by large plants on a mass scale.

WŁODZIMIERZ ONIŚKO,
MARIA ANTONI HIKIERT

A kind of niche is reserved for medium enterprises connected with further processing of panels e.g. veneering. In the plywood sector there is a space for medium-sized plants to produce specialized, niche products. However, this does not exclude the development of large companies, which are able to limit costs by introducing more and more modern and economical technologies.

The plants operating in the industry of wood based panels in Poland are mostly modern and competitive in comparison to the international level of technology, as they feature well educated staff and relatively inexpensive material and labour. After Poland's accession to the EU the costs of energy, materials and labour have been growing but we still are and will be competitive on the European market, and particularly as compared to the "old fifteen" states. However, we are in danger of external competition, and first of all, of Asian companies. On the other hand, wood based panels are a product, which is not cost effective if transported for larger distances. It should be processed as close as possible to the location where it is manufactured. That is why; Polish furniture industry has developed on the grounds of wood based panels manufactured in Poland. Conditions were also created for the development of the modern building industry. The wood based panel industry offers for the building industry such products, already mentioned before, as I-beams with a web made of OSB and T panels, and also a wide range of planking and insulating materials, which can easily compete with Rockwool.

Consumption forecast

Consumption of wood based panels will increase in the near future. For instance, this result from the fact that it is ecological material 90% based on such bio-reproducible material as wood. The technology and application of panels is low energy consuming in comparison to other materials. Besides, new types of wood based panels have been constantly developed. MDF or OSB panels are a relatively new development. Many new products have been noted in the recent years, which give new possibilities of the application of panels, and thanks to that larger and larger demand have been opened. Panels belong to products, which are not cost effective, if transported for large distances. It is particularly not profitable to transport panels of lower G.S.M. This mainly results from the fact that they are a relatively inexpensive material. Additionally, there is a shortage of wood based panels in the nearest neighbourhood of Europe i.e. in Russia, Africa and the Middle East.

In order to correctly estimate the possibilities of the development of consumption and production of wood based panels in Poland, it should be realized what the current level of consumption and production is. Around 5,350,000 m3 of wood based panels is manufactured in Poland at present, which is 0.14 m3 per capita. These figures approximate the highest inter-

General features of the industry:
- annual production value: over 1 billion EUR,
- annual processing volume of wood material: 9.2 million m3, (2006, including peeled material for the plywood sector,)
- number of people employed: 8,700,
- production: around 4 million Mg of products,

national consumption of wood based panels which occurs in North America. However, panels manufactured in Poland are not used only nationally. They are the basic material for the furniture industry, which is the fourth largest furniture exporter internationally. The consumption of wood based panels in Poland approximates the average consumption in Eastern Europe and amounts to less than 0.03 m3 per one inhabitant. This means that only 20% of wood based panels produced nationally are consumed in Poland. In order to achieve the average level of consumption in Western Europe, the supply of panels to the national market should be increased by around 3 million m3 panels i.e. by 56%, while export should not be increased.

Based on the forecast for the development of furniture production prepared by National Chamber of Furniture Manufacturers, and the forecast for the development of the building industry, a summary forecast was elaborated for demand for all types of panels in Poland by 2013. That forecast assumes also that national consumption will increase from 0.03 m3 to 0.07 m3 annually per person by 2013, which means that the current level of consumption in the EU fifteen member states will still not be achieved, but the distance between Poland and the "old EU" will be reduced by half.

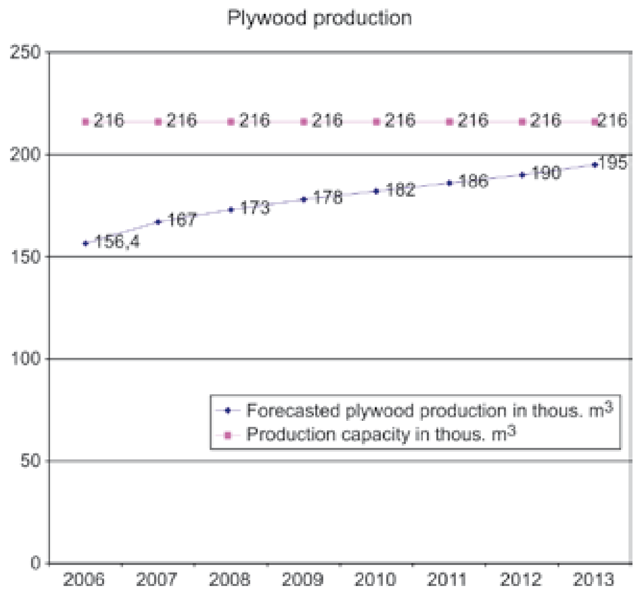
The forecast of demand for wood based panels by 2013, presented in Table 1 compared with the forecast of development of panel production presented in Table 2 and transferred to Table 1, shows that a shortage of those products will be increasing in Poland. It is foreseen that it will be covered by increasing import.

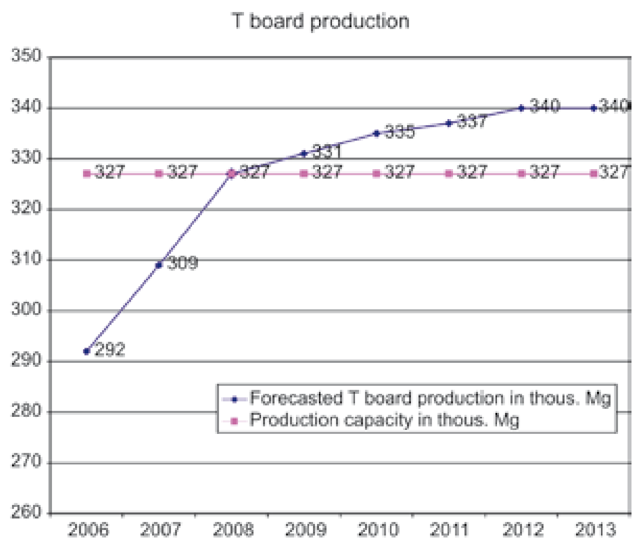
Table 1. Forecast of demand for wood based panels in Poland

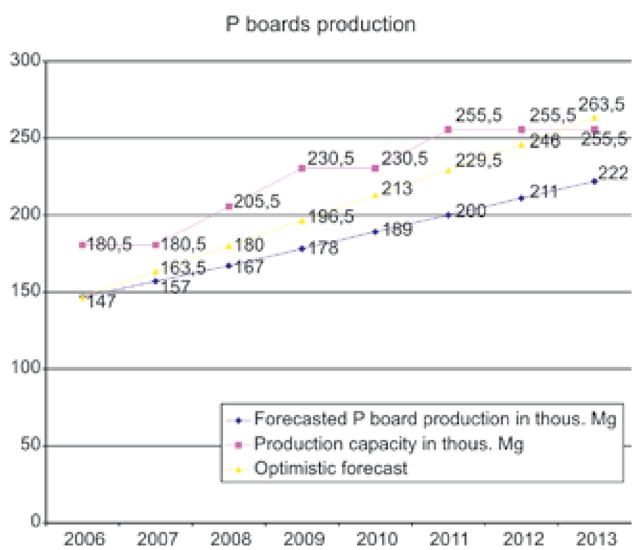
Demandx 1,000	2006	2007	2008	2009	2010	2011	2012	2013
Demand for the production of all types of boards (m3)	5,350	6,100	6,850	7,600	8,350	9,100	9,850	10,600
Demand for the production of all types of boards (Mg)	3,773	4,300	4,830	5,360	5,890	6,420	6,950	7,480
Production forecast from Table 2	3,773	4,028	4,342	4,753	5,045.2	5,336.4	5,627.6	5,916.8
Need for the increase of import (Mg) compared to production forecast	-	272	488	607	845	1,084	1,322	1,563

Table 2. Forecast of the development of production of wood based panels in Poland

Type of boards	2006	2007	2008	2009	2010	2011	2012	2013
Plywood (thous. of m3)	156	167	173	178	182	186	190	195
Plywood (thous. Mg)	94	100	104	107	109	112	114	117
Hardboard (T) (thous. Mg)	292	309	327	331	335	337	340	340
Porous board (P) (thous. Mg)	147	157	167	178	189	200	211	222
Chipboard (thous. m3)	2,900	3,100	3,300	3,500	3,700	3,900	4,100	4,300
Chipboard (thous. Mg)	2,204	2,356	2,508	2,660	2,812	2,964	3,116	3,268
MDF boards (thous. m3)	1,100	1,200	1,250	1,350	1,450	1,550	1,650	1,750
MDF boards (thous. Mg)	770	840	875	945	1,015	1,085	1,155	1,225
OSB boards (thous. m3)	350	350	475	700	770	840	910	980
OSB boards (thous. Mg)	266	266	361	532	585.2	638.4	691.6	744.8
Boards total (thous. Mg)	3,773	4,028	4,342	4,753	5,045.2	5,336.4	5,627.6	5,916.8







Production forecast

The forecast for the production of various types of wood based panels was based on long-term European forecasts, market condition of the furniture and the building industry, and material and declared possibilities of the industry's development. Optimistic and probable options of the forecast were defined for selected types of panels. The probable option is not a pessimistic option but it was based on an assumption that certain difficulties, particularly difficulties with material, will occur, which will slow development down. Data was specified in Table 2 and show in graphs; the table includes only the probable option of the forecast.

Plywood

Forecast for the production of plywood was developed based on the assumption that development will be balanced. Values by 2010 were taken into consideration prepared on the basis of surveys carried out earlier in the plants. 56% of plywood manufactured in Poland is exported. Certainly, this sector could grow more dynamically, but there has been a shortage of raw material for a long time, which cannot be remedied even if the level of technology is high. The international market of plywood is highly competitive. However, Polish plywood features perfect quality and grades for which there is high demand. That is why, it can be recognized that the forecasted development will appear with high probability.

Fibreboard

Production process of fibreboard using wet technology is much more energy consuming than using dry technology. Already in the last years of the 20th century many plants were shut down in Western Europe as it was thought that that technology is obsolete. In Poland, as well, decline in production using that method was noted. However, board's manufactured using wet technology does not contain formaldehyde, except for trace quantity emitted by natural wood. That is why, revival of that method is observed. It is hard to foresee to what extent that phenomenon is permanent, but several new lines of porous boards were started in Poland in the recent years and further development is projected. Production of porous boards increased from 65,000 Mg to 147,000 Mg during recent 5 years. Production is 126% as compared to 2002. So the average annual increase amounted to 25%. If problems with raw material do not force investors to change their plans, at least next three production lines of P boards will be started in the next few years; their total production capacity will amount to 75,000 Mg. This is the probable option. The optimistic option assumes further increase at the existing level, i.e. 16.500 Mg per year. As far as hardboard production is concerned new lines will not be started. It should be stressed that in 2006 all lines producing hardboard used 100% of their production capacity, besides Koniecpol, where difficulties occurred related to supply of raw material. It is foreseen that by 2013, 100% of production capacity of all hardboard lines will be also used, and, and is some plants its will be even increased thanks to modernisation.

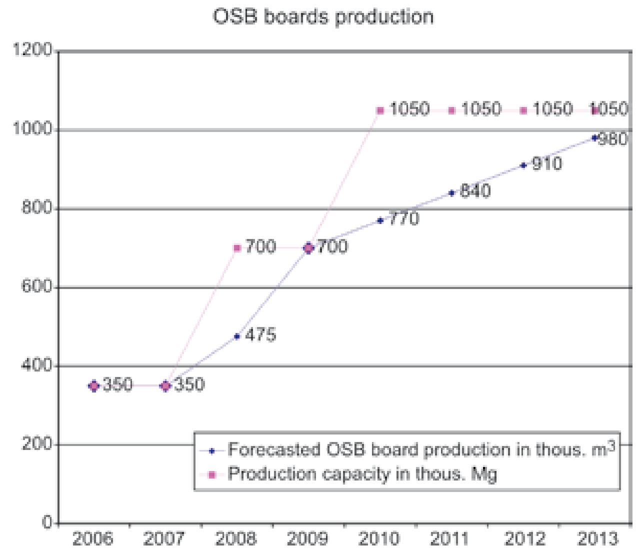
It should be stressed that boards produced using the wet method, and particularly P boards are mostly exported. The largest consumer is Germany, where they are widely used in the building industry. Certain change was observed, as far as application directions of P boards are concerned, in the recent period, and especially last year. At present, the market absorbs more and thicker boards (11 -19 mm.)

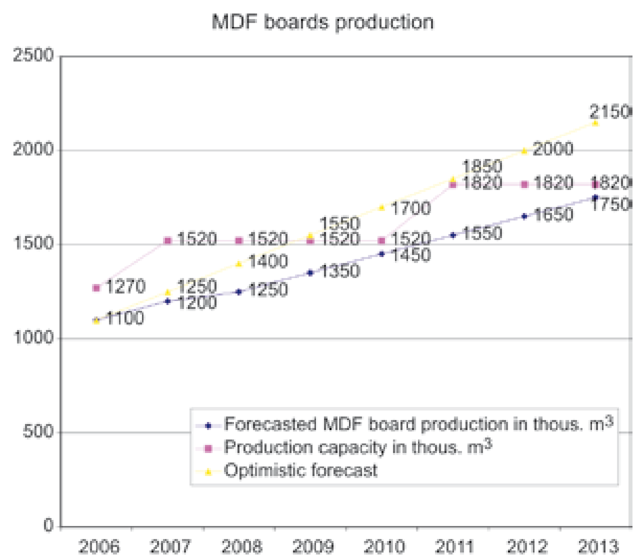
OSB

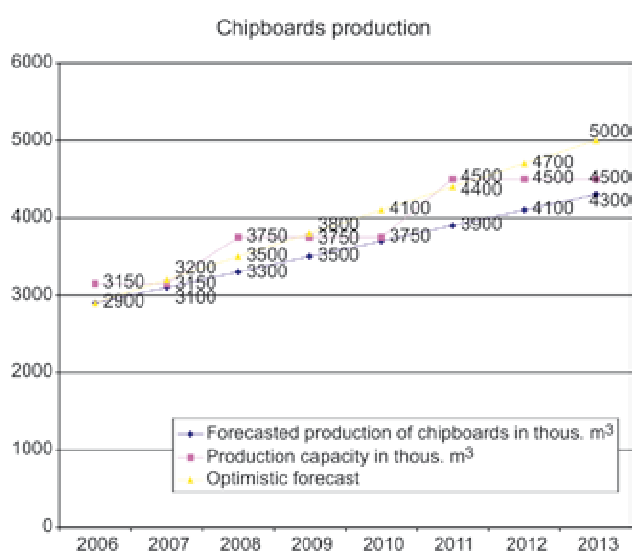
The forecast for the production of OSB boards was prepared assuming that the dynamic development of the production of OSB boards forecasted in Europe will also have place in Poland. Large shortage of OSB boards was noted on our market last year, because production from the only line in Żary is mostly exported. Although boards from Belarus are imported to Poland, but that import is rather small and cannot cover demand. The need for the increase of supply is very strongly felt, and national manufacturers already earlier intended to start further lines. The forecast provides for the increase of the production capacity of OSB boards in Poland to 1,050,000 m3.

MDF, HDF, LDF

The forecast for the production of MDF boards, including HDF and LDF boards was based on the real chance to build another two production lines. The plant in Grajewo is under construction at present and it is foreseen to start an HDF line with production capacity of 250,000 m3 later this year.







The growing needs of the furniture and the building industry will make conditions for further development of the production of MDF boards, and that is why it is foreseen to start at least one more production line by 2013. This may be take place in Karlino. It should be stressed that that real forecast assumes that development will slow down compared to the previous 5 year period, when the production capacity of MDF boards was doubled in Poland. So the average rate of development was 20%. If that rate were decreased to the average value of 15% in the next years, then production would have to achieve 2,150,000 m3 in 2013, which is shown in Fig. 16, i.e. the optimistic option.

Chipboards

The forecast for the development of chipboards production was based on an assumption that development will not exceed 50% by 2013, i.e. the average rate of development during 7 years will amount to around 7%. It is not an unreal value if we take into consideration that a 10% development rate is assumed by the furniture industry in that period. Certainly, demand for chipboards will not be satisfied, if we consider that a large part of production will be still exported.

Each development is limited by certain barriers. As far as the wood based panel industry is concerned, as well as the entire wood industry, such barrier is growing deficit of wood raw material experienced on the market for a certain period of time. That deficit results in the search for and the implementation to processing of new assortments, which have not been taken into consideration so far, or have been processed only marginally. For instance, in the history of the chipboard production industry, at first round wood, next wood chips, and finally sawdust was used. At present, it seems that the wood based panel industry in Poland (except for plywood) will have to use entirely new Raw material, which has not been applied so far, such as corn straw and recycled wood. Supplies of straw and recycled wood are considerably large and if used, it will cause not only the opening of a new labour market, but in the case of recycled wood, also the liquidation of improper use of by uncontrolled combustion or storing at waste dumps.

Furniture

LIDIA CIECIERSKA

At the meeting that took place during Furniture Fair in May, a question returned all the time what should be done to make not only end clients but also traders remember that they purchase Polish furniture. The thing to worry about is not the fact that we do not sell our products under our own brand, because, as said Mr. Tadeusz Respondek, vice-president of the management board of the Kler Company, “e.g. the German market is insensitive to talking about the brand. The strongest German companies sell “no name” furniture at associated trading houses”. Poland’s problem is the fact that furniture manufactured by the Polish export leader is not sold under the Polish brand.

The persons participating in the meeting returned to the need for the uniting of the furniture industry for the sake of its own interest. It is impossible not to notice that the European market has greatly changed. Companies who buy furniture have become larger and associate in larger networks.

– If we take into consideration e.g. the Austrian market, 80% of it is controlled by two entities, two large selling networks. How a large potential one has to have to handle those clients? The situation in France has become similar – says Mr. Maciej Formanowicz, president of Polish Economic Chamber of Furniture Manufacturers, and at the same time president of the management board of Forte Furniture Factories, a joint stock company.

The concentration of clients requires also certain concentration of manufacturers. A solution can be the combining of enterprises in associations, unions and operational groups. Our Achilles’ heel is the lack of trading networks, and no locomotive in the selling of Polish furniture.

– Marketing on the western markets is a long term activity calculated for years, which requires considerable expenditure, and consistent action. None of us can afford it when

is the flagship of Poland

– It will be better for Poland if, instead of storks an salt mines, we will promote Poland as a country able to produce, process goods, create patterns of quality – said Mr. Maciej Formanowicz during the debate: "Furniture is the flagship of Poland."

we work alone. We have to unite in our common interest to convince strong in terms of purchasing, concentrated European trade – added Mr. Tadeusz Respondek.

The need for integration of such fragmented furniture industry in Poland was pointer out by Mr. Igor Mitroczuk, advisor to the minister of economy. On one hand, he complemented the audience with positive statistics and stated that the government is very glad of the furniture industry, and that compared to other export areas it had not brought negative balance. On the other hand, the expert clipped their wings and told them frankly yet painfully that their industry did not have any chance in the government, because "in the race of topics, which are important for the ministers like coal mining and gas, the other issues would be always more important." Finally, he added to the outrage of the audience: "if you came to Warsaw in fifty coaches and blocked the city, maybe you would be noticed." He made participants of the meeting aware of that fact that the portfolio of EU subsidies for 2008-2012 allocates funds only to small and medium enterprises, and to innovations. – "That money is not earmarked for the industries like yours, but for innovation, which cannot be achieved in the furniture industry." The advisor to the minister praised eagerness of the ministry because the ministry had been working on a long term image creation programme, and on promoting our national specialties. Our ministry is working, they know what they want to achieve, but they do not know how.

– No official will invent what and how to promote. That is your role, and the role of the Chamber to make you co-operate and prepare a consistent programme (…) Whether such a long term programme is in favour of clothes, amber or furniture, actually depends on you, and not on the officials in the ministry of economy – said Mr. Igor Mitroczuk.

If Polish furniture producers had to come to terms with the lack of support of the government in the range of the promotion of Polish furniture, so then maybe they at least could count on the solving of several problems bothering the industry in Poland? Firstly, the first priority is to de-monopolise the primary raw material market, which in 80% depends on the will of the State Forests. Secondly, it is easy to foresee that the industry will suffer from the lack of employees. Changes in the labour law are indispensable, to allow to employ foreigners, particularly those from the East. Even today, there are regions in Poland, where there is not enough labour force. To go further, the education system needs improvement, as the one which exists now generates too few people educated in technical sciences. Professor Włodzimierz Oniśko stressed that although the condition of the timber and furniture industry is perfect in Poland, but the background, i.e. education, is not. In a few years time, we will be lacking technology specialists who will be able to design technological processes.

One idea was recurrent all the time during the meeting: if we did not co-operate with the government, or co-operate within the industry, we will not manager to achieve our objectives. The environment is fragmented and divided into segments. We worry about our reluctance to work in a team, and that our main goal is only profit and our own interest in spite of the fact that the client market is so much concentrated. However, the meeting left no illusion that for the time being we had to rely only on ourselves. Much water will flow before our government understands that promotion, support for Polish furniture producers and their products is in Poland's interest. Today our specialty is still storks, ship cheese and amber from the Baltic Sea.

Photo: Archives

If Polish furniture producers had to come to terms with the lack of support of the government in the range of the promotion of Polish furniture, so then maybe they at least could count on the solving of several problems bothering the industry in Poland?

In 2006 Poland produced 8 million m^3 of sawn timber

In 2006 in Poland there was an increase in the production of the majority of wood articles. The results recorded by floor material manufacturing plants were only slightly worse than in 2005.

MAŁGORZATA WNOROWSKA

The largest increase, over 26%, was recorded in the production of hardwood timber of which 1.88 million m^3 was produced in 2006, while the production of coniferous timber grew by 5% and reached 6.09 million m^3.

According to estimates by the Polish Economic Chamber of the Wood Industry, a total of 8 million m3 of sawn timber was produced in 2006. This means a almost 10% increase in comparison to 2005. The largest increase, over 26%, was recorded in the production of hardwood timber which reached 1.88 million m3 in 2006, whereas the production of coniferous timber grew by 5% and reached 6.09 million m3.

The above data is based on wood logging volumes given by the State Forests and is much closer to the actual results than the data given by the Central Statistical Office. In its results, the Central Statistical Office does not take into account micro and small companies, despite that such companies have a significant share in the production of timber in Poland.

Large and medium companies

In 2006, sawmills employing over nine people manufactured 3.4 million m3 of timber, while those employing over 49 people, and classified as large companies, manufactured 2.4 million m3 of timber, i.e. almost one third of the production of all the sawmills in Poland. The dominant raw material was softwood out of which 2.8 million m3 of timber was obtained, and 580 thousand m3 of timber was obtained from hardwood.

The preliminary data for the first quarter of 2007 demonstrates that large primary wood processing companies have increased their production by 13.6% in comparison to the analogous period of the previous year. The increase concerns the production of coniferous timber (by 16.8 %) out of which 671 thousand m3 was manufactured, whereas the production of hardwood timber has dropped by 4.5 %.

Large entities (which employ more than 49 people), taken into consideration in the central Statistical Office's statistics, which deal in the production of sawmill products and wood treatment have reached a record value of the production sold in 2006. While in 2002 it amounted to PLN 1399.9 million, PLN 1598.2 million in 2003, PLN 1898.8 million in 2004, and PLN 2283.6 million in 2005, in 2006 it increased its value to PLN 1367.0 million.

In many sawmill product and wood treatment plants, the increase in production and the value sold was connected with the increase in employment. In comparison to 2005, the average employment in the group of large companies in 2006 increased by 5.3% and amounted to 18.3 thousand people.

Processing efficiency

The processing efficiency in Poland is at a relatively high level and does not differ much from the average values in Europe. The average volume of coniferous timber obtained from sawmill wood in Polish wood processing plants (data from medium and large companies) between 2001-2005 was 63.6 %. During the same period, the average volume of hardwood timber obtained from sawmill wood was 64 %. The result for 2005 was slightly lower, and amounted to 61.7 % for coniferous timber, and for hardwood timber to only 57.6 %. The material capacity of micro and small sawmills was higher than that of medium and large sawmills, therefore, one could assume that if timber obtained from sawmill wood within the whole range of companies (from micro to large ones) had been taken into account, the indicated average would be slightly higher.

Costs

The cost of producing one m3 of coniferous timber in the 1st quarter of 2007 was PLN 481. The raw material purchase cost made up as much as 67 % of this amount, labour cost and social insurance contributions constituted 21 %, while the cost of energy and fuel consumption was 7 %. The cost of drying one cubic metre of coniferous timber was PLN 104, while for hardwood timber it was PLN 216.

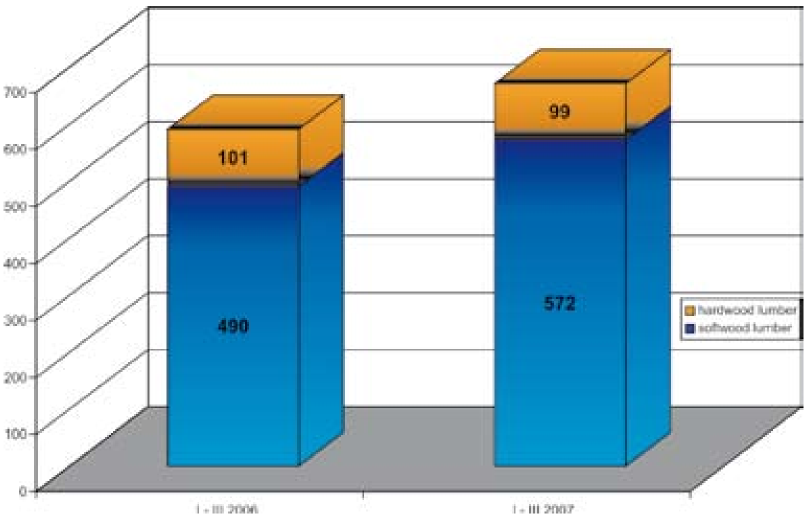
Export

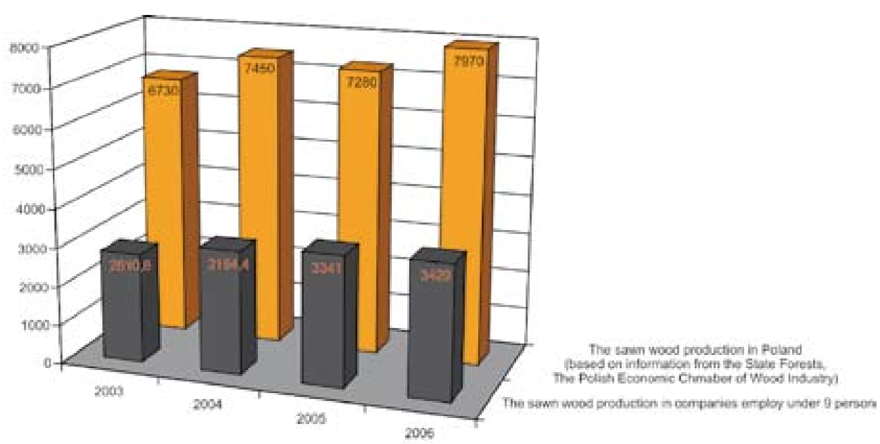
In the period between January and February 2006, 570 000 m3 of timber and PLN 562.3 million worth of wood semi-finished products were exported from Poland. This means a drop in the export volume in comparison to the analogous period of 2005. Timber from Poland is mostly exported to European Union countries. Polish coniferous timber is most often bought by the Germans (44 %), then the French (12 %) and the Danish (11 %). Our hardwood timber is most of all exported to Sweden (54 %) and Denmark (15 %). Also the neighbouring countries from the South, mostly Slovakia (14 %), purchase significant quantities of our timber.

Import

The foreign trade balance for timber and wood semi-finished products is beneficial to Poland: we import 495 500 m3 of timber which is worth PLN 542.5 million. In 2006, coniferous timber was mainly imported from Russia (39 %) and Germany (18 %). An important supplier of timber is also the Ukraine (10 %) and Sweden (9 %). The Ukraine is the major supplier of hardwood timber to Poland (39 %), next is Germany (23 %) and Slovakia (18 %).

Sawn timber production in Poland (large companies), I-III 2006, 2007 (in 1000 cubic metre)



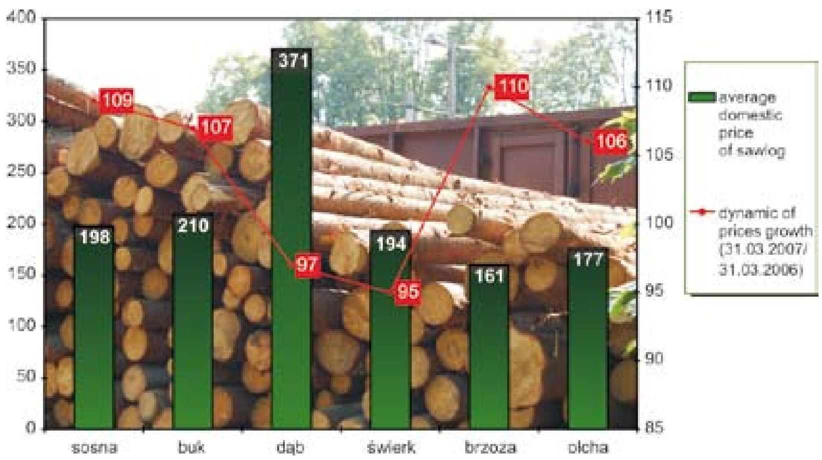


	2003	2004	2005	2006
The sawn wood production in companies employ under 9 person	2810.8	3164.4	3341	3420
The sawn wood production in Poland (based on information from the State Forests, The Polish Economic Chmaber of Wood Industry)	6730	7450	7280	7970

Foresters believe wood prices in Poland are too low

MAŁGORZATA WNOROWSKA

According to the National Council for the Association of Polish Foresters, wood prices should grow proportionally to the prices of wood products.



Average purchase prices of individual wood assortments at the end of the first quarter of 2007.

Source: Polish Economic Chamber of the Wood Industry

Foresters look with envy at the construction boom, the profits of which go mainly to the manufacturers of wood products. According to the data from the National Council for the Association of Foresters in the Republic of Poland (AFP), the prices of construction materials have risen by around 50% this year, the prices of wood in Europe by 20% to 50 %, while the anticipated growth of wood prices obtained by the State Forests in 2007 is only 6 %. *"In connection with this, the National Council requests to urgently enter into renegotiations of wood prices"* reads the letter directed to Andrzej Matysiak, the Managing Director for the State Forests. However, foresters are not convinced that the rise in prices of construction materials results only from the increased costs of labour, energy and transport. Sawmills have to increase wages in order to prevent the outflow of employees.

Foresters consider the average gross pay of PLN 4,200 in the forest industry too low and demand a rise. *"The National Council for the Association of Polish Foresters in the Republic of Poland finds the average pay at the State Forests in 2006 lower by 2% than in 2005,while the salaries within the country have risen by over 5 %. In March 2007, the national economy grew by 9 %, and the average pay at the State Forests for four months dropped by 12 %"*, reads the AFP letter.

Foresters forget, however, about the tied accommodation, company cars, annual bonus and uniform allowance. Do sawmill owners have to pay for all this?

The 6 % increase in raw material prices that the foresters write about, is only an official figure that the State Forests give so as not to provoke the recipients. And the prices of raw material sold with the use of the e-drewno internet system are still growing. This is what the system has been introduced for: to start the market mechanisms which will then regulate the price while taking into account the demand-supply ratio. Nevertheless, foresters are not happy with a computer taking over their role of price negotiator and reducing them to the humble role of forest area administrator. But perhaps this is the more fair way?

One should also remember that wood prices are growing year on year. Therefore, as would appear from the APF letter, we are not dealing with the stagnation of wood raw material price.

Every year, the Central Statistical Office gives the average wood sales price obtained by the forest district offices during three quarters of a given year. The statistics for 2006 indicate another record in the amount of the price obtained within the past seven years. On average, we used to pay PLN 133.70 for one cubic metre of wood, i.e. PLN 2.35 more than a year before. Going back to 2003, we are talking about an increase in the price of a cubic metre by even PLN 26. In the first quarter of 2007, the prices of sawmill wood

Wood prices in Europe increased in 2007 from 20 to 50 %, whereas the anticipated wood price growth obtained by the State Forests in 2007 is only 6 %. With regard to the above, the National Council for the Association of Polish Foresters requests to urgently enter into renegotiations of wood prices.

grew on average by 4 % in comparison to the analogous period of 2006. The greatest price increase was recorded in birch (+10 %) and pine (+9 %). Whereas the price of spruce and oak dropped by -5 % and -3 % respectively. The range of prices within individual regions was unusually broad. Large-size pine cost from PLN 164 to 247 for a cubic metre, and spruce from PLN 174 to 214 for a cubic metre, beech was from PLN 176 up to even 249 for a cubic metre, and oak from PLN 333 to 410 for a cubic metre.

Undoubtedly the situation in the sawmill industry improved considerably in the first quarter of 2007. According to Central Statistical Offfice, the net profitability increased up to 7.2 %. The figures are confusing however. One should remember that already in the first quarter of 2006, many sawmills were working on the verge of profitability with the average profitability of only 2.7 % at that time. The rise of raw material prices was the main factor then.

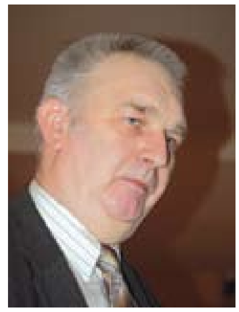
Instead of waiting until their main providers take advantage of the economic situation and make up for the losses, foresters are preparing to tighten the noose around their necks and increase the prices of raw material. Of all people, foresters should know from their own experience that one should not saw off the branch one is sitting on.

Bogdan Czemko,
Polish Economic Chamber
of the Wood Industry:

Each decision on changing wood prices should be supported with a thorough analysis of the situation in Poland and at least in Germany. I am convinced that the Marketing Department at the Director General for the State Forests office possesses the appropriate knowledge and means for collecting all the materials necessary for this purpose. The evaluation should start with the German market which is the most important European market for Polish wood products. The share of particular wood products export to Germany, in relation to the total wood product export, is (according to the Analytical Centre for Customs Administration data for 11 months of 2006) 44 % for coniferous timber, 40 % for veneers and face veneers, 63 % for packaging (mainly pallets) and 29 % for floor materials. Unfortunately, the situation in Germany is gradually deteriorating, proof of which are the decreasing prices of roundwood. By way of example, the B 3a class pine logs (central diameter of 30-34 cm) have become cheaper by 7.4 %, and thin logs (central diameter of 15-19 cm) by 6.9 %. Even bigger drops in prices have been recorded in spruce wood: since January, thin logs (central diameter of 25-29 cm) have become cheaper by 17.8 %, thin logs by 19.3 %, and thicker logs by 18.2 %.

The situation on the wood product market is no better. There is a strong downward trend in the prices on this market, which, since February this year, were the highest for at least 6 months. The prices of square timber have dropped by 8.3 %, spruce battens by 9.3 %, and square-sawn timber by 4 %. These are only some examples. One should remember that although according to GUS the direct export of unprocessed timber is equal to around 25.5 % of the production in this group, according to various estimates, around 70 % of wood logged in Poland is eventually exported after being processed into various products. Almost 100 % of pallets and a similar amount of garden products manufactured in Poland are sold outside Poland, and they are mainly sold in Germany. For this reason, the PLN/€ exchange rate is very important. Unfortunately, this year we are also dealing with a gradual drop in this area. This year's exchange rate at the NBP (National Bank of Poland) reached 3.8958 PLN/€ (in February), nevertheless, the current (as of 04 July 07) exchange rate is 3.7578 and is therefore lower by 3.55 %. The national prices do not demonstrate a strong growth tendency either, although there have been slight tendencies appearing in this respect. The average coniferous timber price in the 4th quarter of 2006 was PLN 530 per m3, and in the 1st quarter of 2007, it increased to PLN 553 per m3. However, this increase has only compensated for the increase in the price of wood raw material, the price of which, within the same period, with regard to pine for example, grew on average from PLN 185 to PLN 198 per m3, that is by 6.6% (data from surveys conducted by the Polish Economic Chamber of the Wood Industry). Taking into account the materials' productivity (around 63 %), one may calculate that the growth of raw material costs per 1 m3 of timber was PLN 21 which almost corresponds to the difference in the price of this product during the aforementioned periods. To sum up, it should be stated that in 2007 we have been dealing with a significant number of factors adverse for the manufacturers of wood products; moreover, this tendency seems to be of a permanent nature for at least the next few months, probably until autumn. One should remember that the profitability of the wood industry is not one of the best. For the year 2006, the sawmill industry obtained the average net profitability of 3.6 % (lower than the industry on average), and for example, the pallet manufacturers obtained only 2.8 %.

With regard to the above, one may state that there are absolutely no grounds for increasing the prices of sawmill wood whose purchase price constitutes 67% of the total production costs for sawmills, at the moment. The increase would result in stopping the already modest development of the wood industry, or simply lead to an economic crisis.



Professor Wojciech Lis, Agricultural University in Poznań:

In my opinion, the prices of round timber should not be currently changed (either increased or decreased) for a few reasons. Firstly, the prices negotiated at the placing of orders through the Forest-Timber Portal should be maintained throughout the whole year (pacta sunt servanda – an agreement must be kept, or an agreement is an obligation – says a Latin sentence appropriate to quote at this point.

This thought has already been mentioned by Doctor Konrad Tomaszewski, and Bogdan Czemko, M.Sc. also referred to it.) The provisions of agreements were also understood in that way by persons purchasing timber and signing agreements with particular forest divisions, regional directorates and the General Directorate of the State Forests (LP). Such understanding of agreements resulted also from unequivocal responses of the participants – members of the Forest and Timber Commission during the discussion in Rogów on 28.06.2007.

Particular customers have purchased various amounts of timber from the State Forest units so far. Some of them have already purchased nearly 100% of the timber amount negotiated (frequently customers received raw material from disaster areas, sometimes on the clear request of forest service's they speeded up the completion of agreements because damaged timber had to be removed from the forest very quickly to prevent timber depreciation and recurring biotic contamination). Some customers who in compliance with their time schedules received around 50% of their annual timber quota.

Finally there are customers who carried away from the forest much less than 50% of raw material (for different reasons, frequently technological, occurring in the timber industry, sometimes related to the completion of their own orders, but also not so infrequently at the request of foresters, who must put in order post-disaster tree stands in the first instance, and postpone the planned felling for a more favourable period).

In that situation, one could very easily be accused of an unequal and unfair treatment of customers, who would be affected by a price rise to various degrees, and they would not be guilty of it, as price rises have not resulted from their actions, negligence, or abandonment.

Based on timber agreements already signed, customers from the timber industry concluded their own contracts, and applied prices from agreement documentation and arrangements with the State Forests to calculate their costs. As they cannot renegotiate the prices signed, they may suffer losses, which can be easily proved, so they may try to get compensation for them as a result of a breach in the agreement with the State Forests, or even qualify them as opportunity costs. The probability of such conduct is low, yet it exists.

Many business agreements concluded by companies from the timber industry concern export contracts. The low exchange rates of currencies, first of all the systematically decreasing EUR exchange rate (19.07.2007 – 3.7508 PLN/€), and we should remember that most agreements apply the euro as currency, result in a situation that businesspersons cannot decrease their margins. Taking into consideration the fact that timber costs amount to even 75% of the total operational costs in sawmills, timber plants are not able to operate

cost-effectively and suffer losses on the most important components of their costs. Finally, they find themselves in danger of bankruptcy.

Investment projects undertaken as a result of signed agreements, including agreements for timer supply, which aim is to upgrade and improve the infrastructure of the timber industry and the application of new, more efficient and cost-effective technologies, may also be endangered because they destabilize the assumptions of profitability and loan repayment schedules specified in business plans. Mostly, it is possible to provide documents to prove such accusations and, potentially, to apply to the court; damages for such losses can also be enforced. This too is improbable, but still possible.

Timber prices obtained as a result of timber sales through the Forest-Timber Portal are by 5-7% higher in 2007, than expected by the services responsible for round timber sales in the State Forests.

The State Forests are a state owned entity and should look after the interest of the State Treasury. The superior interest should be shown by the rolling cost account i.e. the possibility and necessity of getting from raw material under the care of foresters, as much benefit as possible for the whole Polish economy. This should include various activities and time horizons i.e. long term activities to ensure profitability, and short term activities to make it possible for an enterprise to be solvent i.e. able to meet its payments due on time. It is also important that Polish entities sell timber in the form of most processed products, which, besides raw material and unqualified labour, include technical thought, competitive technologies, and sophisticated marketing activities, always based on reliable agreements.

How much we have in

As the quantity of old tree stands is growing it is not justified to maintain felling ages defined in 1979, because they were overstated at that time without any natural or economic grounds.

BOGDAN CZEMKO

In April 2007, "An opinion on the prospects of a possibility of increased logging in the forests of the State Treasury" (forests managed by "State Forests" State Forest Holding) was commissioned by the Association of wood based panel producers. The opinion was prepared by a SITR expert, Mr. Aleksander Nawra, who paid particular attention to the fact that in spite of an increase in resources during the last year's that increase has not been used in Poland. It is worthwhile knowing that we had 5.4 million ha of forests in 1946, while we had 7.0 million ha of forests in 2005. The value of standing timber was 129 m3/ha in 1946, and 226 m3/ha in 2005. The current stand increment per 1 ha was 3.47 m3, while it was 8.83 m3 in 2005. Certainly, it was followed by an increase of an absolute logging value (from gross 13.7 million m3 to gross 35.2 million m3.) The only value that dropped was the value of logging as compared to the annual increment. That value was 73.3% in 1946, and only 54.7% in 2005. It has not exceeded 60% since 1978, in spite of the fact, that (a quotation): "our tree stands are ageing, enter the period of incre-

timber do the forest?

ment accumulation, so that increment will grow along with the possibility of larger logging." The export estimated that an increase of logging by 10% is absolutely possible if we consider production capacity of our forests and would be in line with the art of sylviculture. Attention was also paid to the underestimated role of the so-called Technical Commissions, which issue opinions on forest management plans prepared for forest divisions. The representatives of wood consumers have not participated in the Commissions so far, although it would be justified and logical. The issues discussed has become a basis for a letter applying for a change of the jogging level in Poland, signed by all national organizations of wood consumers. Except for the initiator, i.e. SPPD, the letter was signed by the representatives of the Polish Economic Chamber of Wood Industry (which arranged a meeting dedicated to that issue in May,) the Association of Polish Paper Producers, Wooden House Association, Polish National Committee EPAL and the Association of Polish Sawmills. Except for the General Directorate of Polish Forests, the letter was submitted to the ministries of Economy, Environment, State Treasury and Environment Protection, Sejm and Senate Environment Protection Commissions, and the Forest Management and Forest Surveying Office.

To supplement that opinion, I would also like to highlight several additional facts supporting conclusions defined in the opinion.

During 25 years (1981-2005), the completion of the felling plan in forest grounds was 86% of the plan calculated. This means that 1.44 million m3 of standing timber was not cut down on average in that period although it had been recognised as fit for felling. It totalled as much as 36 million m3 during the recent 25 years. On the other hand, the ripening felling plan amounted to 130.6% of the plan calculated on average in that period, which meant 2.95 million m3 more annually than it had been planned.

The entire felling plan was exceeded by 7.6% on average, i.e. logging was by 1.51 million m3 larger than the planned one, but that increase, as it can be seen in the data quoted, comes only from ripening wood, i.e. pulpwood (data from the "Report on the condition of forests in Poland, 2005" table 10.) No doubt, this results from the following mechanism: the ripening felling plan is determined superficially, and upon the completion of woodland maintenance works at the area planned it turns out every year that the quantity of logging is much larger than it has been planned (such imperfect calculation methods have not been corrected for many decades !). Felling should be then limited because the rule should be that the felling plan as a whole, should not be exceeded (although it is actually exceeded.)

The conclusion is obvious: the mature felling plan should be calculated separately from the ripening felling plan in the forest management plan.

The exceeding of the felling plan mentioned above is most probably connected with a rule that an increase of logging is possible in the case of the occurrence of natural disasters. However, it does not change the fact that even without any disasters in large areas, we deal with the supply of considerable volume of material from broken trees, deadwood and toppled over trees throughout Poland every year. During 25 years (1981-2005), it amounted to as much as 34.8 % of the entire wood supply, which corresponds with the annual average of 7.45 million m3. A larger supply in that time was 1.51 million over the felling plan in that period, which means that 5.94 million m3 of mostly broken and depreciated wood was included in the felling plan, while the major, yet not known exactly, part of that plan was the mature felling plan according to the estimates of wood consumers. This is another mechanism which results in the not full use of "normal" acquisition of wood, and in the remaining of mature tree stands. However, I believe that wood from casual felling should not be included in the felling plan, excluding major natural disasters.

As the volume of old tree stands has been growing, there are no grounds for the maintenance of the felling ages defined in 1979, because they were overestimated at that time, without any natural or economic reasons. A rule should be assumed that "the main crop in forestry should be such part of wood material, which can be acquired by felling cuts, with no harm to the biological or economic durability of the forest"- it is a quotation from the speech of Professor Ryszard Poznański at the conference in Jaszowiec in March, 2004.

It is logical, that the factors mentioned above, limiting mature felling and raising the felling age must lead to an increase of the share of older tree stands, which is proved by statistics. As much as 270 million m3 of large timber is located in the tree stands older than 100 years of age (the letter of DGLP addressed to PIGPD of 13.11.2006.) According to the forester Mr. P. Cybulski, an MP, that volume includes 187 million m3 of superannuated tree stands, but it is worth noting that he demonstrates the largest quantity of such tree stands in those areas of the State Forests, which have suffered damage due to various natural disasters recently i.e. in the area of Olsztyn, Białystok, Wrocław and Katowice (according to materials submitted by Mr. P. Cybulski.)

The area of protective forests according to the situation as of 31.12.2005 corresponds with 48.9 % of the total area of the forests managed by "State Forests" State Forest Holding (the source: "The Report on the condition of forests in Poland in 2005".) The level of forest felling is around 30% of the stand increment, compared to around 90% in "production forests" (the speech in Sejm of Józef Swatań, a minister of environment, made on 07.03.2005.) It means that the real possibility of larger logging concerns mainly protective forests, which on the other hand, means a need for at least partial resignation from the raising of the felling age in those forests. Certainly, at first ecologists should be convinced to that idea.

The current situation in Beskidy Mountains, defined by foresters as "the total disintegration of spruce tree stands," is most probably a proof of the dreadful effects of the way in which the role of protective forests have been treated, while the share of those forests is 80% in that area. The keeping of those tree stands above the felling age economically justified and the abandoning of earlier species improvement resulted in an ecological disaster, which may cause deforestation of the western part of the Beskidy Mountains within the next several years. May be that situation will convince decision makers that they should change their approach to the exploitation of protective forests.

The fastest method of confirming the possibility of logging increase probably is to verify the volume of reserves in forests; because practice shows that each updating almost always allows increasing logging by several percent at an area surveyed. Therefore the aim should be to carry out the stock-taking of forests at large areas manager by "State Forests" National Forest Holding ("State Forests" State Forest Holding) particularly that very fast methods are currently available to carry out such works, using e.g. satellite photos. Five such stock-takings have been carried out in Poland so far, and "general wood resources (...) defined by large area stock-taking proved to be larger than the resources determined by updating by around 9-10% (this quotation comes from the paper presented by A. Szempliński of BULiGL on the conference in Jaszowiec in March 2004.)

Certainly, as far as such a delicate and complex issue is concerned as the level and principles of forest exploitation, the opinion on sylviculture problems of a layman like me means close to nothing, but more and more concerns of actual experts have been cumulated, stating that we have more wood than we think we have. So we can state with a probability close to certainty that we have not been using the existing production capacity of Polish forests for many years. However, this does not mean that anything is going on not in line with valid regulations. Alas, we are aware that the current logging level results from the obvious fact that foresters have to comply with relevant valid regulations. In this situation, they have to urgently assess that level from the point of view of the objectives of permanently sustainable forest management and to verify the levels. We are sure that thanks to such approach reserves pointed by us above will be confirmed, and their use will serve well the condition of forests in Poland and, at the same time, they will support forest management.

Prospects for timber harvesting in the State Forests and satisfying demand for raw material for the wood industry.

The average annual amount of wood supply from the State Forests is determined according to the needs of tree stand plantation and requirements of environment protection in forest management plans prepared for the period of 10 years for particular forest divisions.

ANDRZEJ MATYSIAK

Forest management plan is the basic economic document according to which the State Forests perform the statutory obligation to conduct permanently sustainable forest management. On the other hand, one of the fundamental tasks defined in the forest management plan for the forest division is a 10 year felling plan of the primary use, determined in net stand volume of large timber, in detail, according to the requirements in the range of tree stand maintenance, restocking and reconstruction, and also wholly for the entire forest division. The total felling plan for a forest division for 10 years is approved by an appropriate minister of environment and may be changed only in the case of a disaster or damage putting forest stability in danger. The procedures of changing a felling plan for a forest division are defined in the Act on forests and are called an annex to the forest management plan. After 10 years a detailed estimation of management in a forest division takes place, including the balance of the felling plan completed.

For the purpose of management and statistics, an annual felling plan in the State Forests is the tenth part of the total of 10-year felling plans of all forests divisions. Such an orienteering felling plan which has been increased by around 4 percent every year for several years (i.e. by over 950,000 m3) has been recently calculated to be net 27.83 million m3 of large timber, as of 1st January, 2006. The amount of the orienteering felling plan defined in that way is sometimes regarded in statistical reports as the valid annual standard of timber harvesting in the State Forests. Actually, such orienteering "standard" is not and cannot be strictly complied with, because the requirements of tree stand plantation in forests are changeable and highly diversified in particular years.

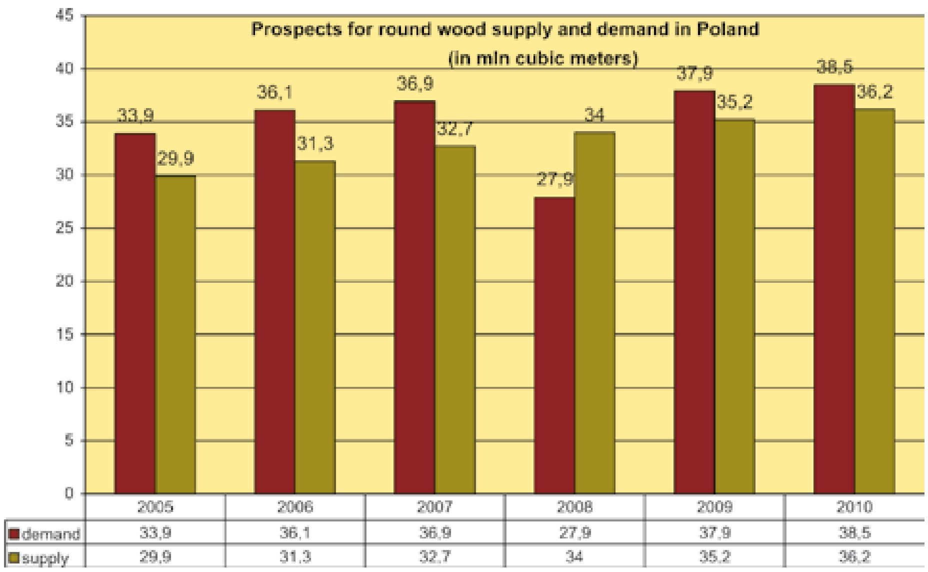
A balance method of the felling plan completion was also assumed in annual planning; proportionally to the time in which forest management plans are valid in particular forest divisions. As a result of such balancing, the annual timber harvesting amount may be slightly (several percent) higher or lower than 1/10 of the total felling plan of the forest divisions.

If the amount is higher, and results from a long-term balance, the current demand for timber cannot be the only guideline, because the required improvement cutting in younger tree stands must be done at first, and next damage unforeseen in advance should be repaired as quickly as possible; including damage done by wind, insect pests and caps of snow.

The amount of timber stock in the State Forests has been constantly growing, similarly to the volume of timber harvesting. The relation between growth of timber stock and timber harvesting are reflected by data specified in Table 1. In that table, there is much general information, which however is worthwhile reviewing in detail. During the recent 5 years the average annual increment of the forest area was around 0.2%, the increment of stock thickness was around 2 %, the thickness increment of coniferous tree stands was 1.9%, the thickness increment of tree stands above 80 years of age was around 2.8%, an increase of and orienteering felling plan was around 4.1 %, while an increase of timber harvesting volume was 4.4%. It is a fact that an average annual timber harvesting amount compared to the average annual thickness increment is about 61.9 %; however, it cannot be larger for two fundamental reasons: because of considerable limitation of timber harvesting in forests which are specially protected as a result of current accumulation of tree stands as a result of post-war forestation, which does not directly corresponds with the possibility of intensive use, because only half of tree stands in State Forests is tree stands of middle age classes (between 40 and 80 years of age) which are not yet covered by felling plans. At this point it should be stressed, that the ratio of timber harvesting to the increment is has only a reference significance for statistical purposes and in no way is a legal standard.

Based on data review included in the table and reports published annually on the condition of Polish forests, it can be forecasted that an average annual felling plan will increase in the next years at a rate essentially higher than the existing one achieving even 2.5% of the thickness stock volume in a year concerned. However, at present there is no possibility of an essential increase of timber harvesting volume in the State Forests without being exposed to justified social accusations of putting in danger the statutory obligation to run permanently sustainable forest management (PSFM).

The statutory definition of the PSFM says that its basic objective is the stability of the forest, including forest biodiversity, viability, productivity, and also an ability to fulfil protective, economic and social functions. The definition of the PSFM is actually a new form of the old principle of forest durability and continuity of forest use, while the basic contemporary tools to implement



that definition include, among others: wide knowledge and activity of foresters in the scope of forest breeding and protection, a priority to reconstruct tree stands and a possibility of flexible forest management (both in the range of planning, including the possibility of flexible use of feeling age stands and a felling plan according to the requirements of production tree stands, and during the implementation of management tasks.) An appropriate application of recommendations is obligatory resulting from semi natural forest breeding, understood as an active adjustment of biocenses to biotopes, and not only passive response to natural phenomena. As an effect of such active management, a possibility is also foreseen of a significant increase of felling plans in forest divisions, and particularly of felling forest use.

A considerable increase of the logging value requires social acceptance, and particularly the acceptance of local self-governments. An appropriate strategy of consultations is required, because for a local community the forest becomes more and more an element of landscape and recreation, and only in the next place a resource of wood material. It should be also remembered that the society has been constantly inundated, mainly by the demagogic representatives of radical ecologic movements, by opinions that tree cutting is evil, even if sometimes it is necessary, but still it is evil. That is why there is space for common actions by foresters and tree maintenance specialists, to provide evidence that the felling plan defined in the forest management is the final result of the entire complex network of assumptions and conditions, revealed or created in the process of forest management planning, including: the long-term objectives of forest management, the existing effects of that management, the assumptions adopted in the nature protection programmes, local natural and economic conditions and forest breeding and protection standards. All those assumptions and conditions are especially discussed during the two public technology and management commissions for forest management plans (I KTG and II KTG), and decisions taken by those commissions consider opinions of the parties participating in management planning. It seems that the need for finding consensus, particularly with local self-governments and local social organizations, in the field of the plan implementation methods in a forest division concerned may be a common task of foresters and tree maintenance specialists. The volume of logging results to a great extent from a consensus between nature protection requirements and the practice of consumer expectations. The role of forests to achieve that consensus is such that actually they are not a party but a mediator.

According to selected short-term forecasts demand of the sawmill industry will amount to around 12 million m^3 of timber annually in the next several years, while demand of the panel industry and the pulp and paper industry amount to circa 10 million m^3 of timber. Demand of pallet and fuel timber producers and other minor medium-size timber consumers is around 4 million m^3. Total demand is estimated at 35 million m$_3$. The State Forests are able to supply to the market 28-29 million m^3 of large timber, and slightly above 2 million m^3 of small-sized timber in the nearest future, with a reservation that around 40 % of large timber is large-size timber (sawmill timber, veneer, peeling wood.) Even if, the supply of small-size timber is increased by several hundred thousand of m^3, the State Forests will not be able to satisfy demand for over 4 million m^3 of mainly medium-size timber.

It seems that from that over 4 million additional demand for mainly medium-size timber, almost 3 million m^3 should be logged and sold by the other forest administrators and owners, managing around 20% of Poland's forested area. Even if we assume that production in those forests is lower by half than in the State Forests, it potentially amounts to 31 m^3 of timber (as in the State Forests) x 0.2 x 0.5 = 3.1 million m^3 of timber.

If the missing 1 million m^3 of timber is to be logged in Poland in the future, common action towards appropriate political and economic undertakings is required as early as, including:

- contracts concluded with farmers by the paper making industry for quickly growing tree plantations for the purposes of the paper-making industry

- verification of bans and limitations on forest management, very frequently issued for populist reasons, without the required natural and economic expertise

- savings on timber, like on each rationed raw material, both on logging and processing; also through timber recycling.

Theoretically, there is also a limited possibility of performing maintenance measures planned in advance, for the credit of future felling plans. However, it should require political decisions for which foresters cannot take responsibility, because effects of such decisions would result in relevant restrictions on timber supply in the next years.

The State Forests express its will to co-operate with the representatives of the timber industry to achieve social consensus on possibly full use of the production capacity of the State Forests, by appropriate optimization of felling volumes to acquire the required large timber thickness in the forest management plans in particular forest divisions. According to the State Forests, such co-operation should particularly concern the two following issues:

- the participation of authorized representatives of the timber industry in taking decisions on felling volumes in a forest division concerned, by presence at the meetings of the 1st and 2nd Technology and Management Commissions and putting forward appropriate substantive arguments;

- the applying and supporting of the verification of those unjustified economic bans and restrictions in forests, which were introduced without the required natural and economic expertise.

The State Forests express its will to co-operate with the representatives of the timber industry in the range of all kinds of projects dedicated to the saving of timber as rationed raw material, both in the course of logging and processing, and by wood recycling.

The State Forests foresee to appropriately amend the "Forest management instruction."

A weak British pound of Polish export

When the exchange rate of the British pound drops below 6 PLN, Floors Company, a wooden floor manufacturer from Brusy, calculates losses in the number of trucks, which deliver goods from Poland to the UK.

MAŁGORZATA WNOROWSKA

Not only fluctuation of Euro exchange rates is a problem for wood manufacturers in Poland, who export their goods to Western Europe. The companies, which sell their products to England and settle their accounts in British pounds, calculate their losses after recent drops. The exchange rate of the British pound went down to 5.6 PLN.

- In such situation we can only calculate our losses – says Mr. Andrzej Zielke, president of Floors Company, which manufactures wooden floors, and 90% of its production exports to the UK.

Still at the end of January, the pound to PLN diagram optimistically climbed up towards 6 PLN. This was the most optimized level, around which the British currency had oscillated for years. Companies that signed their agreements with their English or Scottish clients at that time, at present must negotiate higher contract prices or just expect losses.

- Concurrently we are exposed to two plagues – says Mr. Andrzej Zielke. – The first one is too strong zloty, and the other one is higher and higher timber prices. We have no choice so we have to raise prices for our products.

Floors Company is a manufacturer of floors from solid wood. 90% of its production is made of oakwood and prepared for the European market, mainly for the UK and Scandinavia. Floors Company is a small company; it employs 36 people including the president and all office workers. However, contemporary automated production lines reduce the number of staff and determinate production capacity. The plant in Brusy manufactures 18,000 -20,000 m of solid wood panels and parquet blocks per month using modern machinery. The president is not afraid of experimenting with new technologies, and introduces subsequent innovations thanks to subsidies from the EU funds. The EU funds to a great extent allow the company to bravely think of development and further investments.

- It is not that easy to get money from the EU – says MS. Danuta Janiszewska, who works with the Floors Company and successfully completed several volumes of paper to be granted support from the aid funds. – It is not just the issue of the thorough completion of an application, but also later time-consum-

decreases cost effectiveness to the United Kingdom

ing settlement of the funds received. All this means months of arduous work done by an employee. Although such "paperwork" is tiresome, but I believe that it is worthwhile trying to increase competitiveness of the company.

It is just competition, which besides problems with Euro exchange rate fluctuations and timber prices are major problems of our company.

- Some time ago the flooring producer industry was quite narrow. At present, we have a lot of competitors both in the countries of the former Soviet bloc, and also on our national market – informs us Mr. Zielke. – However, we are the winner as our advantage is quality.

The Floors Company has not been always a manufacturer. At first, the company was a trading firm and sold floorings produced by other manufacturers.

- When we were fed up with defects and problems connected with quality, we decided to start our own production plant – explains Mr. Andrzej Zielke. – We bought from the receiver of Chojnickie Furniture Production Plant a completely equipped plant in Brusy. The only question was training for the staff and transformation of production lines to high quality floor panels.

Next, the company additionally invested in the plant using, among others, EU funds mentioned before. At present, the plant in Brusy has three wood drying kilns and a Muhlbock Vanicek kiln for steaming oakwood, powered by a modern chamber combusting wastes from the processing shop. An interesting thing about the system carrying chips to the combustion chamber is a special system, which detects and extinguishes an electric spark, protecting the equipment against fire.

Floor panels are manufactured in the processing shop. Powermat 2000, manufactured by Weinig and several other modern machines are proudly exposed. Another stage of the company's development will be implementation of the production of two-layer floor panels and the purchase of new equipment.

- The introduction of the production of two-layer floor panels will allow us to increase production efficiency and to use raw material more cost-effectively, as there are more and more problems with wood supply in Poland – says the President of the Floors Company. – We have already prepared a plan for the purchase of new machinery, including machines manufactured by Wintersteiger and a special pressing machine; there are only several pressing machines like that operated globally, and probably only one in Europe.

90% of production at the Floors Company uses oakwood and is exported to the European market, mainly to the UK and Scandinavia. However, President Andrzej Zielke (on the right) complains about a very low exchange rate of the British pound.

At present, 18,000 – 20,000 m of solid panels and parquet blocks is manufactured at the plant in Brusy. Production efficiency will be even higher thanks to the purchase of new machinery and the start of production of two layer panels.

Innovative construction materials by STEICO insulate both acoustically and thermally.

Photo by STEICO

Mats and boards of hemp fibre

STEICO has extended its product offer with insulation mats and boards made of hemp fibre. This is the only manufacturing plant of this type in Poland and one of very few in Europe.

This almost forgotten raw material is gaining a growing number of supporters. Hemp makes great use of solar energy and during its extremely fast growth process large amounts of CO_2 are absorbed from the atmosphere.

The innovative construction materials by STEICO provide both thermal and acoustic insulation. They protect against noise, heat loss in winter and excess heat inflow in summer. Their exceptional properties, including low thermal conductivity and high heat accumulation capacity, delay heat penetration through the building's construction in summer. They accumulate heat energy during the day and release the heat into the room only after more than ten hours when it is already much cooler outside (the so-called phase shift). Another important advantage of insulation materials by STEICO is that they are water vapour open. They regulate the humidity in the room, absorb the excess humidity, and when the air is dry, release the humidity. As a consequence, they provide a healthy room environment in the house. The insulation mats and boards by STEICO also insulate acoustically, they muffle sounds effectively and protect against excessive noise.

STEICO offers hemp insulation material of two types: STEICOcanaflex - flexible heat insulation mats and STEICOcanaroof - over-rafter insulation boards. The mats are used for cavity insulation in roof-, wall- and ceiling-constructions for new construction as well as for renovations. Their application ensures energy saving during the cold seasons, and in summer protects houses from over-heating. This exceptional material is non-irritant to skin and easy to handle. Less energy is used to produce hemp fibre insulation materials than producing their conventional equivalents, this means a more favourable energy balance for the whole natural environment.

STEICO materials handling is extremely easy and the dust produced as a result of handling is non-irritant to skin. The material may be cut with the use of conventional cutting tools. While fitting the STEICOcanaflex mats, it is enough to put them in the cavity between the construction elements of the building and press lightly. One should only remember to leave an additional space of 10-20 mm which will be used for clamping. In order not to waste anything, the cuttings may be squeezed in together with a new mat.

STEICOcanaroof is an over-rafter insulation board. It is characterized by exceptional compression strength and high shape stability. The stable insulation board laid on rafters is used to insulate the ceiling between floors, it can also be laid under rafters and as internal wall insulation. Water vapour open, it regulates the room environment and provides better acoustic insulation thanks to the use of double thread screws. The board is non-irritant to skin and does not produce any dust while cutting. Thanks to their low thermal conductivity and high heat accumulation capacity, the STEICOcanaroof boards protect houses from over heating in summer and from heat loss in winter.

When choosing the appropriate insulation material, one should avoid comparing prices. It is worth remembering that the material purchase price is only a part of the costs that the person insulating a building will have to incur. In additiona to the cost of purchase, fitting and handling, the costs to be incurred in the future also need to be taken into account: e.g. waste removal in connection with rebuilding or repairs when the insulation has to be replaced. One should also remember that used mineral wool has been recognised as harmful, therefore, mineral wool stripping and utilization are governed by strict regulations and require additional expenditure. STEICO products have an advantage over the conventional products, since they are entirely ecological and not harmful at all. In addition, they are perfectly suitable for reprocessing.

(ab)

Board production from annual plant fibre

The line for flax and hemp fibre board production in Czarnków was co-created by companies such as DOA from Austria and Schott&Meissner from Germany. The contractorship was entrusted to Termotech from Piła and Izoponar from Trzemeszno.

After reaching full capacity, the line will produce around 130 000 m of insulation materials which is equivalent to five truckloads a day. The materials produced on the line will enable the insulation of around 1000 houses a year and will also allow sowing a crop acreage of 2500 ha.

The line starts with a machine to which fibre is supplied in the form of a pressed block which is the basic raw material for production. The machines separate the pressed fibre into individual elements and mix them according to strictly prescribed proportions. Next, the machines form a fibrous mat from the fibre mix with the use of aerodynamic methods. The formed fibre mat is then bonded in a special thermal chamber. When leaving the chamber, the flexible mat is formatted into commercial sizes and then packed into packages which are transported on pallets to the warehouse. After reaching the assumed production capacity the line will be capable of producing from 800 to 1500 kg/h of a ready product.

(mari)

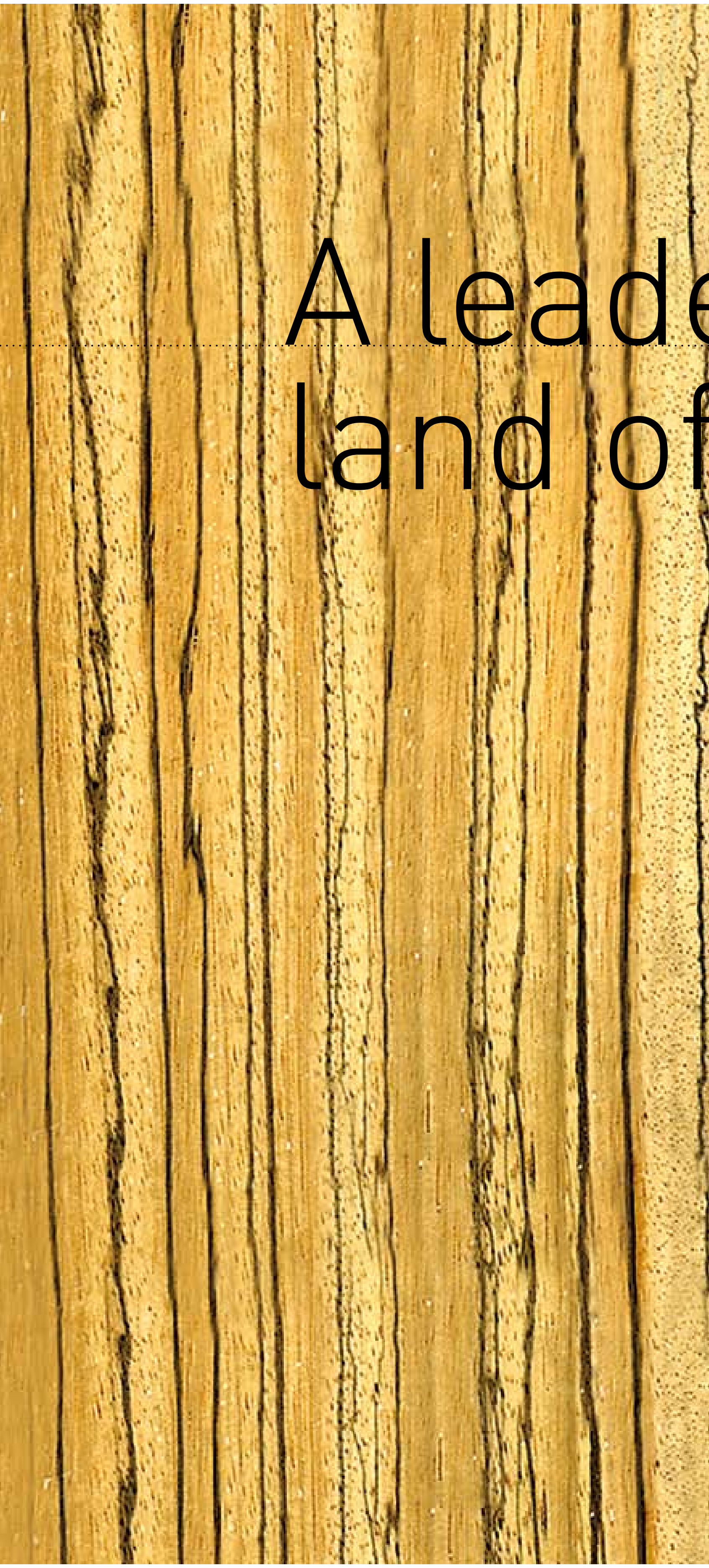
Photo by M. Wnorowska

STEICO materials handling is extremely easy and the dust produced as a result of handling is non-irritant to skin.

PAGED

Paged-Sklejka is one of the largest plywood manufacturers on the Polish market and consistently implements its development strategy by bringing an increase in production and a wide range of products.

The company's priority is a comprehensive offer and product quality, confirmed by numerous hygiene certificates and other certificates. The offer is addressed to the construction, transport, and furniture industries. Paged-Sklejka has long-term experience and improves its equipment and machinery (using its own funds), aiming at reducing production costs, and also meets the market needs halfway. The new product is sliced veneers made of beech wood, oak wood, and alder wood. That product is used to veneer plywood and block board. The company supplies also the furniture industry with models produced from exotic wood grades (American cherry, American oak, American walnut, loblolly pine, anegre, Finnish birch, Canadian maple, striped sapele, and flader sapele). The company offers sliced and rotary cut veneers, and custom made butt veneer plywood. The "Scarf Joint" plywood is used to obtain permanently joined large size boards. Such a solution enables producing boards up to 7000 mm long. Their strength corresponds with the strength of standard boards. In addition, the company produces tongue and groove plywood boards, used in the construction and automotive industries. The traditional hardwood plywood produced from alder wood and birch wood based on urea formaldehyde resins and phenol formaldehyde resins features waterproofness and stable dryness. That plywood is perfectly suitable for the structural parts of furniture for the office, house, kitchen, and elsewhere. High strength makes plywood ideal material for boatbuilding, construction, and underlay for tarpaper. Softwood (pine) plywood has similar parameters. Technical plywood is based on the modern technology of the Finnish company Raute Wood. Paged-Sklejka also offers laser cut plywood, formwork plywood, anti-skidding plywood, block boards, and decorative mouldings. Laser cut plywood is produced from birch wood of I/II and II/II quality classes, and there are two types of that plywood available: veneered with transparent melamine film and with no film on the board surface. The internal plywood layers have no defects. Formwork plywood made of softwood is veneered with phenol film on both sides using a modern Finnish technology, and has its four corners protected by acrylic paint. Phenol foil covering the surface



A leader in the land of plywood

of wood consists of a paper-based resin. Depending on the required physical and aesthetic properties, Paged-Sklejka offers a range of foils, e.g. with improved resistance to oils, smears and alkalis. Available colours include: yellow, green, red, brown, and others. Anti-skidding hardwood plywood (veneered with phenol film on both sides, with a net imprint on one side and four corners protected with acrylic paint) features resistance to abrasion. Three-ply and five-ply block boards are available. The company offers four block board thicknesses: 16, 18, 20, and 22 mm with dimensions: 1,220 x 2,440 mm, 2,440 x 1,220 mm, 1,250 x 2,500 mm, and 2,500 x 1,250 mm. The Producer offers customized board thicknesses, depending on client requirements. Boards veneered with natural wood (beech, pine, maple, walnut, sapele, cherry) are available. The company recommends decorative mouldings (beech and birch wood) for upholstered furniture (beds, sofas, armchairs etc.). The mouldings are covered with decorative paper featuring properties corresponding with hardwood plywood, including stable dryness. The customer can select the type of foil, dimensions, and thickness of the moulding.

Wooden house by Wirex was the Polish hallmark at Ligna+ fair

WIREX Group, a wooden house manufacturer, is often the showpiece of the Polish timber industry at foreign fairs. This year its demonstration house could be admired on a stand at Ligna+ in Hanover.

"Every day we see nature, its beauty and excellence. Despite development and new technology, nature remains natural and beautiful" - with these words Wiesław Ciura introduces us to the world of wooden houses. He is the head of Wirex in Kiełczygłów in the Łódź region.

"One of the examples of nature's excellence, impossible to replace by any technologically-generated product, is timber, one of the most ancient construction materials in the world" - continues Ciura.

For ages, people have built wooden houses, which survived generations. Based on their long-tested construction methods combined with modern production capabilities, the company Log-Pol, part of the WIREX Group, offers houses made of rounded logs for people who value health, comfort, individual style and tradition above all.

Log-Pol offers finished environmentally-friendly structures of round pine or spruce logs. It designs and constructs houses for year round and summer houses as well, from houses through tiny garden architecture to restaurants and hotels.

"Wood is fashionable and we are often asked whether it is possible to adapt existing buildings with our technology, so as to use as much timber as possible. We accept such challenges too" - Ciura adds.

A great majority of structures (about 95%) are based on customers' individual designs. A detailed assembly plan, including length of particular logs and distribution of fasteners, is prepared by staff at Log-Pol.

The company offers logs of 130, 170, 220 and 250 mm in diameter. The largest ones, of a diameter of 220 and 250 mm, are meant for year round buildings, which do not require additional temperature protection and the specific micro-climate inside the buildings made of solid logs keeps the moisture level virtually constant.

Pine wood is applied for external walls. Boards are dried in the plant and they are cut and milled to the necessary dimensions by machines. In this way it is ensured that all the elements perfectly match. The logs are designed to direct water to the outside and corner structures which ensures that the wood is joined very solidly. Round logs (of 170 mm of diameter) are flattened by 2 cm for better fitting of window and door casings in appropriate places.

Gable walls are delivered as rounded logs or as a wooden construction. Vertical or horizontal boarding with grooved board, called facing (thickness: 20 mm, covering width 120 mm) or log-imitating profiles (diameter: 220 or 250 mm) are applied for external timbering. For internal walls, rounded boards or wooden construction bilaterally timbered with facings or gypsum-carton-type plates are used.

Roof rafters are laid every 60 to 95 cm. Next, in the temperature-protection area bilaterally planed thatch board (20 mm thick) is applied and in those areas where the roof extends outside the external contour of the building, the rafters are covered with the above-mentioned facing, i.e. boarding of pine wood joined alternately (groove thickness 20 mm and covering width 120 mm).

Most frequently the boards used for ceilings are like those applied to ground floor walls, but their bottom part is rounded. The ceiling can be also made of square-sawn timber, especially if it makes up an integral part of the structure, joining rafters at wall level.

On the ceiling board pine board timbering is laid - alternately-joined facings (groove thickness 20 mm and covering width 120 mm).

Such timbering seen from the bottom is a ceiling and at the same time it is a working-floor where installations are placed. The next layer is composed of joists (dimensions: 40 x 70 mm), filled with mineral wool. Shaved-pine flooring, 21 mm, thick is laid on the joists module. In the case of bathroom floors, an additional layer of OSB plate or other material is laid to allow for the assembly of fittings. Recently, responding to domestic market and export needs, the W-IREX Group launched the production of houses made of rectangular logs. Current technological capabilities allow for production of rectangular logs of the following section dimension: 160 mm wide and 60 to 160 mm thick.

Log houses made by Log-Pol are not only structures, they are virtually turnkey projects. They include assembly of elements of construction woodwork, i.e. windows and balcony doors, manufactured according to euro-standard from first-class pine and, depending on the customer's requirements, also shutters integrated with window-casing. The shutters have a broad wooden external sill. External doors are produced too, fitting the style of log houses, made of pine and fitted with furniture, locks and handles.

***

The company Log-Pol belongs to the W-IREX Group, specializing in various areas of the woodwork industry. Frame sawing machines of the group's trademark are used in many sawmills in Poland and abroad. Also other products, including Log-Pol log houses are known in many countries. Many projects were carried out in Germany, Austria, France, Belgium, Denmark and Greece, where the demand for wooden log constructions keeps growing.

(mari)

Get business card from page 91

Sawmill which lowers costs

Band sawmill PT e-64 is the latest offer of ZM Jabłoński company. This device is an answer to the needs of the market, as it allows for significant reduction of employees and due to the automation significantly increases efficiency and quality of cutting.

Band sawmill PT e-64 is the most efficient sawmill that can be presented by the company. It is a horizontal, industrial sawmill which can be operated by only one person. The device characterizes multiple efficiency and almost two times faster cutting. The creation of such a sawmill was possible due to combining mechanics and advanced automation. The cost of the device may be reimbursed quite quickly because only one person is needed to operate the sawmill, not three people as usually. One person supervises all the works done by the machine, that is the process of cutting, loading and unloading. The machine is operated from an immobile platform. The platform allows for very good visibility on all the processes taking place on the machine: loading, maneuvering of the log as well as cutting. PT e-64 is equipped with a loading ramp which allows for storing the entering material and automatic passing of single logs on the machine. The receiving band allows for receiving cut elements from the machine without the operating person. The cut elements are automatically pushed while return movement.

One of the options of the machine is hydraulic maneuvering of the log which is done by means of joysticks. The operating person may steer the speed of movements of single operations. The sawmill is equipped with automatic trimmer which cooperates with the roll leading the saw and matches itself to the log that is being rubbed. In combination with the unique system of inflatable saw tension it prolongs the vitality of the band in a significant way. The trimmer cuts a rut in the bark of the log and that is why the saw does not have to cut sand and other impurity and cuts only wood. The sawmill is equipped with a program with the system that allows for placing the cutting head with accuracy +/- 0,2 mm which ensures good log section.

Get business card from page 91

Photo Gamet

As many of only

An innovative collection of GAMET handles, in keeping with the latest trends in furniture design, creating new possibilities for furniture and interior designers, has just hit the market.

The new Gamet collection was presented for the first time at this year's ZOW fair in Bad Salzuflen in Germany. It comprises 7 models of furniture handles made of wood, aluminium and ZnAl. The collection has been conceived by Ute Bröker, the famous German designer.

Venge wood, aluminium and ZnAl give furniture designers a wide range of possibilities. Moreover, it is possible to experiment with various types of spacing and galvanic coating. That is why the new Gamet collection currently consists of as many as 50 various applications which can be used for modern kitchen, bedroom or cabinet furniture.

Why is it so important?

Designers often have difficulty finding appropriate furniture if their client wishes to have for example an open kitchen connected with a living room. Just take a closer look at the rich and innovative GAMET collection characterised by smooth, soft and warm design and choose a suitable model.

Owing to a number of decorative finishes, i.e. chrome, brushed nickel, aluminium, satin chrome and venge wood, the handles can be used for home and office furniture. What is more, the variety of spacing within one model makes it possible to adjust an element to different furniture dimensions.

HANDLE UU12

Wide range of coatings and dimensions, allows for universal use of the handle, both into the living room, bedroom, kitchen or office. Gentle and calm pattern line of handles gives every furniture the unusual charm and the uniqueness.
Material: ZnAl + Aluminium, ZnAl + wood
Range of dimensions: 128, 160 mm
Galvanic coatings: : G0004, G0007, G0008 and A0C00 (natural aluminium colour)
Colour of wood: D17

as 50 applications 7 basic models

GAMET®

Photo Gamet

Photo Gamet

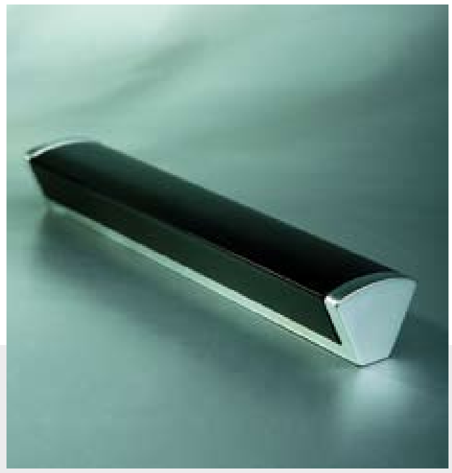


Photo Gamet

HANDLE RE50

This handle is perfect combination of wood in venge colour and aluminium. Straight, original design and the highest quality - it is basic advantages of this special product.

Material: ZnAl + Aluminium, ZnAl + wood
Range of dimensions: 96, 128, 160 mm
Galvanic coatings: : G0004, G0007, G0008 and A0C00 (natural aluminium colour)
Colour of wood: D17

HANDLE RE51

It is next example of excellent connection of venge wood and ZnAl. Original, with the straight design and the highest quality.

Material: ZnAl + Aluminium, ZnAl + wood
Range of dimensions: 128, 256 mm
Galvanic coatings: G0004, G0007, G0008
Colour of wood: D17

HANDLE UA41

It is handle in the natural colour of aluminium. It presents the excellent proposal, both into the room and into the kitchen or office.

Material: Aluminium
Range of dimensions: 128, 160 mm
Colour of aluminum: A0C00

HANDLE UA42

This handle is characterized by an ergonomic shape and a functionality. It is appearing in the natural aluminium colour - perfect proposal for supporters of the simplicity in the design.

Material: Aluminium
Range of dimensions: 64, 96, 128 mm
Colour of aluminum: A0C00

HANDLE UA43

This handle is made from aluminium with gentle and warm pattern line. Availability in a wide range of dimensions is guaranteeing fitting to different breadth of furniture.

Material: Aluminium
Range of dimensions: 32, 64, 96 mm
Colour of aluminum: A0C00

HANDLE UU11

The handle presents the perfect connection of ZnAl and wood in the venge colour. It is characterized by a simplicity and a functionality. That is why it is perfect connection with many kinds of furniture like living room, kitchen or office.
Material: ZnAl + wood
Range of dimensions: 96, 128 mm
Galvanic coatings: G0004, G0007, G0008
Colour of wood: D17

Get business card from page 91

The collection of outdoor furniture by Haste Garden

Haste Garden started production of wooden garden furniture in 1979. Since that time it has gathered valuable knowledge and experience in garden furniture production of high quality standard and unique design. The collection of outdoor furniture is produced exclusively by Haste Garden. Know-how and experience along with modern machines and equipment support the manufacturing process in our factory. Each piece of furniture reflects a philosophy of production according to modern technology, natural environment and the requirements of our customers all over the world.

ARABELLA

Creates an inviting dining spot wherever you place it. The ARABELLA stacking chairs have a gently contoured back and seat in robinia hardwood, combined with the aluminium frame. Sturdy slats tip back gently over long periods of sitting. Good design and quality are visible in every detail of the chair and dining table. To accomplish the set we recommend table with butterfly extension and aluminium case that perfectly fits the armchair.

fot. Haste Garden

fot. Haste Garden

fot. Haste Garden

COLORADO

White painted folding COLORADO Adirondack is crafted with American tradition for summer relaxing. The armchair is solidly built of alder wood for beauty and strength.

FELICIA

FELICIA is Haste Garden's new conception of foldable furniture. Featuring extraordinary endurance achived by choosing the innovative Batyline (R), durable powder coated steel and weather-defying Robinia, Felicia is a reliable material-mix companion in your open-air leisure.

You can create your exclusive FELICIA space with a table available in two sizes, elegant chairs and delightful armchairs.

fot. Haste Garden

RIVIERA

Due to its ergonomically curved design and wide arms, our RIVIERA made from robinia wood offers excellent comfort. Chairs, love seats and 3-seat benches can be combined with the recliners to create a variety of dining and relaxed-group settings.

ON is a managerial chair series designed by Wolfgang Design.

Fot. PROFIm

For are hea

A chair we sit on at a desk must be durable, comfortable, and safe. PROFIm guarantees that only such products come off their production line.

PROFIm is one of the leading office chair manufacturers in Poland. The company is very successful on foreign markets as well. At present, over 50% of the production is exported to 30 countries all over the world. The success on the Polish and foreign markets was possible to achieve, thanks to the wide offer of highest quality office seats, which satisfy all the requirements for furniture to be used at a modern workplace. The product catalogue is successively added to with new and more and more attractive offers.

"PROFIm has been developing very dynamically. Every year we execute more investments and broaden our offer at the same time, not only the product offer but also the service offer," proudly emphasizes the President, Ryszard Rychlik.

The words of President Rychlik are confirmed with two new chair series, which have been added to the manufacturer's offer: the ON and RAYA series. The prototype version could be seen at last year's Orgatec Fair, and in Poland, the series made their debut at this year's MEBLE Fair of Furniture in Poznań.

ON is a managerial chair series designed by Wolfgang Design. It includes swivel chairs available in several options and a conference chair (stationary). The conference version is available in two variants: with cantilever or with legs.

customers who lth-conscious

Fot. PROFIm

ON- conference chair.

Fot. PROFIm

Raya- designed by Grzegorz Olech.

Fot. PROFIm

Raya - customers may choose among several dozens of upholstery fabrics: metal, plastic, and upholstered components.

"Working on the implementation of the model, we took as a priority the introduction of such construction solutions, which would considerably improve the comfort of sitting behind the desk, and the precise refinement of all the details in both technological and aesthetical details," explains Jakub Rzetecki, the sales and marketing director at PROFIm. "As a result we created a model which may easily satisfy the requirements of customers who are health-conscious with regard to the workplace"

The distinctive features of this model in comparison to other managerial chairs on the market, is the exceptionally ergonomic backrest. It was made of flexible material and thanks to the appropriate construction and ergonomic profiling it adjusts to the spine of the person sitting in an optimal way (it adjusts also if the person is making movements). The chair is equipped with seat-depth regulation, as well as backrest and armrest regulation. Having the comfort of prospective users in mind, a headrest is offered (additional option), which is attached to the backrest with a flexible connector.

The design for the ON line is based on the juxtaposition of materials used in the front and backside of the chair seat. The subtle dimples in the seat surface and the stitching on the rest edges provide additional decoration.

RAYA, the other new product by PROFIm, adds to the company's offer for employee seats. A swivel chair designed by Grzegorz Olech is an example of a modern, but still employee-friendly, seat created especially for those who have to work for long hours in a sitting position. It has been equipped with all the mechanisms and regulations, which make it easier to adjust the chair to the user's silhouette: the regulation of the seat depth and height, regulated armrests, ergonomic profiled seat and rest, as well as a synchro mechanism, which allows for the so-called dynamic sitting position. The manufacturer assures that the constructional and mechanical solutions applied in the model guarantee the chair's durability and reliability.

Grzegorz Olech suggested minimal design based on geometrical contrasts and distinctive lines. Metal, plastic, and upholstered components (customers may choose among several dozens of upholstery fabrics) were used for the chair production.

(sm)

Plywood profiles

manufactured by Bester

Bester customers, i.e. furniture manufacturers using plywood profiles, include such well-known manufacturers as Profim office furniture manufacturer, Sella swivel chair manufacturer, or Rzeszowskie Fabryki Mebli.

BESTER Zakład Sklejek can pride itself on several dozen of its own plywood profile shapes; it also manufactures beech and birch plywood, as well as plywood covered with any chosen wood type, according to designs provided by customers.

The production process at Bester starts with the proper selection of raw material, and then follows hydrothermal processing, debarking, machining, and drying. In order to obtain a top-quality end product, all these stages must meet stringent standards. The appropriate cutting of logs and sorting according to the intended use, helps to obtain a good intermediate product – dried veneer sheets.

Products are shaped by means of both pressure and temperature. The machinery park includes presses, utilising hot water, and high frequency electric current. The plant has several standard profiles (forms); nevertheless, Bester is capable of making customised forms to the customer's wish. Joining, and then pressing, is most often carried out using urea-formaldehyde resin. All types of resins used in our plant have the E1 hygiene standard.

During the last stage of production, the pressed plywood profiles are subjected to several operations intended to give them their final shape and to prepare them for finishing the surface with lacquer. The 5-axis digitally controlled woodworking machine enables them to process even the most sophisticated profiles and to maintain a 100% repeatability of the article. This is a very important issue in large series production. On the customer's request, the products are coloured and lacquered with nitro or polyurethane lacquers, as well as water-soluble lacquers that are more environment-friendly.

(mari)

BESTER Zakład Sklejek is a family business with an over 30-year-long tradition in the wood industry. It manufactures plywood profiles used for the production of chairs, furniture, and other essentials.

Before he started to manufacture plywood, Stanisław Bester the founder of the company, owned a commercial furniture production business. His company was very popular and highly valued on the local market to such an extent that orders were often submitted 3 years in advance. The apartments of many of his customers are still furnished with his products. In 1994, with his former commercial production business being replaced by a one member private company employing four people, he started manufacturing shaped and glued chair components. The majority of machines and equipment were constructed on the basis of the owner's ideas. At the beginning, the company's main products were plywood profiles for school chairs, which are still mass-produced today.

In 1999, a private partnership started operating in the present location in Wysoka near Łańcut. The subsequent years were devoted to the company's development, the introduction of new designs for upholstered chair seats and backrests, armchairs and auditorium chairs, as well as for shaped furniture components.

Hranipex – edges for your furniture

There are many producers and distributors of furniture edges in Poland. But probably the most popular collection of edges used by Polish furniture producer is offered by company Hranipex.

PRODUCTION

Hranipex is one of the most important producers and distributors of furniture edges in Europe. Its product portfolio includes the largest collection of furniture edges, which still keeps maximum identity with MFC produced by all European MFC producers. It offers more than 380 UNI colours and woodgrains of ABS edges in different widths and thicknesses either without or with applied hot melt glue in thickness from 0,5 till 5 mm) with possibility of slitting requested width from 16 – 200 mm, more than 170 UNI colours and woodgrains of melamine edges, which are available in stock in width 22 and 45 mm either with or without glue, again with possibility of slitting requested width from 16 – 200 mm.

Hranipex is also known because of thin veneer edges with glue and with fleece and thick veneer edges in different dimensions and design edges, whose incomparable design will make every piece of furniture unique and will emphasise the exceptional qualities of the chosen interior.

Company offers hot melt, dispersive, mounting and construction adhesives including expert consultancy. In its complementary offer are also cleaning products and electronic spraying appliances, which Hranipex recommend as effective helps when gluing furniture parts.

Hranipex was formed in 1993 as a family company in the Czech Republic. At present Hranipex has its own branches in Poland, Slovak Republic and Romania and thanks to the wide net of trade agencies Hranipex operates in 30 countries of the whole Europe and Asia (Albania, Austria, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, China, Estonia, Finland, France, Germany, Greece, Hungary, Netherlands, Kazakhstan, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Russia, Serbia, Slovenia, Sweden, Switzerland, Ukraine, United Arab Emirates and other countries).

STOCK

Its philosophy: quality, fastness, reliability and top service helps producer to reach its aim: to have satisfied customers, who will always gladly return to it.

Every year Hranipex takes part in different furniture fairs all over the Europe. We will gladly welcome you in our stands and companies to tell you more about our products and services. This year Hranipex attend special project during DREMA&FURNICA fair trade in Poznań - the live Furniture Factory was this year's real hit. It was organised in cooperation with MMI CHC. This unique exposition of two full technological lines for production of a desk and a shelf made it possible for visitors to see parts of machinery at work in a closeup. Not only the technology, but also ready-made products and components used in the production of furniture, including furniture edges of Hranipex, were in the focus of attention in Pavilion 6A.

To find out more: www.hranipex.com.

COMPANY

Bankruptcy of Schieder pulls Polish furniture companies down to the bottom

Schieder Möbel Holding GmbH announced its bankruptcy, which means an avalanche of bankruptcies of Polish companies, which manufactured furniture for the German concern.

MAŁGORZATA WNOROWSKA

When Schieder announced its insolvency in April, the German prosecution and tax authorities became interested in the situation of the concern. Towards the end of June, the prosecution office in Bielefeld put forward charges of falsifying financial reports and swindling loans to the founder of Schieder, Mr. Rolf Demuth and three other management members. They were taken into remand under the charge of "creative accounting" for the amount of 34 million EUR at the preparation of the balance sheet for the years 2004/2005 and 2005/2006; they were also charged of loan and debt security swindles for 283 million EUR. According to estimates, Schieder's debts amount to around 400 million EUR. Their bankruptcy is inevitable.

Mazur Comfort as a part of Schieder Group was forced to announce its bankruptcy.

Photo. MC

According to Ms. Krystyna Zientara, the chairperson of the Polish Furniture Manufacturers Trade Union, a large impact on the company's bad condition was an ill-judged investment done by the concern, which bought a production plant in China, because furniture manufactured there did not sell well. In 2005, in order to save the situation, Schieder took a 145 million EUR loan and emitted debt securities for 95 million EUR. Next, they issued long-term securities, authorizing to participate in profits on stock, with an interest rate, according to unofficial information, of over 10%. All this was a serious burden for the company, whose annual turnover is 1 billion EUR.

Experts say that there should not be problems with the purchasers of Schieder companies, but it is always the question of price. However, what worries them a lot is that the former management of the company "improved" financial reports.

– As a result of that the charge and risk of purchase is unpredictable – says the managing director Mr. Ulrich Wlecke in Frankfurt.

TG Gniewkowo belongs to IMS AG registered in Lichtenstein, which is operationally and financially independent of the Schieder Möbel Holding.

Photo. TG Gniewkowo

The Schieder group in Poland includes more than a dozen plants, but not all of them are in danger of bankruptcy. The largest probability of bankruptcy concerns the Mazurskie Meble International Company, employing 4,000 people in total. On the other hand, seven plants in Poland belong to Schrieder's daughter company: IMS AG registered in Lichtenstein, which is operationally and financially independent of the Schieder Möbel Holding.

HF Helvetia Furniture plants in Bydgoszcz and Chełmo, Flair Poland in Kobylnia, TG Gniewkowo, HM Helvetia Meble in Wieruszów, FS Favorit Furniture in Szczytno and Bydgoskie Furniture Factory Bydgoszcz belong to IMS. Those plants employ around 3,000 people in total, and they should not be afraid of losing their jobs.

At present, only around 12% of furniture sold by IMS comes directly from plants belonging to the Schieder Group. That is why IMS clients should not be affected by a decrease in supply volumes, while the shortage of furniture supplied will be supplemented by production in the company's own plants.

– IMS is able to take over a part of Schieder's supplies to reduce the negative results of the bankruptcy of the whole holding – ensures Mr. Thomas Fox, manager of IMS.

On 13th July, the court in Olsztyn announced bankruptcy of the companies belonging to the Mazurskie Meble Group (a subsidiary of the Schieder holding) having plants in Bartoszyce, Biskupiec, Elbląg, Iława, Nidzica, Nowe Miasto Lubawskie, Piecki, Słupy, Stare Jabłonki and Szczytno.

Mr. Stefan Tkaczyk, president of MMI, says that Polish plants of the Schieder Group were profitable.

– Let us think where all that money is. Probably, Polish plants were over invested. Bankruptcy concerns first of all the plants in Warmia and Mazury. The investors interested in them prefer to buy them from the receiver – explains Mr. Stefan Tkaczyn in his interview for "Rzeczpospolita" Daily.

Not only around four thousand people employed in those plants can lose their jobs, but also almost two thousand of those who work in companies co-operating with MMI. Such good professionals will be willingly employed by the other furniture companies operating in Warmia and Mazury, including among others Mebelplast in Olsztyn.

Unofficially, the employees specify also other troubles of Polish MMI plants, except the financial ones. They mention the lack of certainty that raw material would be supplied, and growing prices for wood grain finish panels, more and more expensive labour costs, the outflow of skilled workers abroad, and stronger and stronger Polish zloty. At the same time, contracts signed by the companies were long term and they could not be annexed. Furniture was produced on the verge of profitability.

The bankruptcy of Mazurskie Meble International resulted in an avalanche of further bankruptcies, of the companies which co-operated with MMI. Production was stopped by Meblarska Spółdzielnia Pracy (Furniture Co-operative) in Nowe Miasto, one of the largest companies co-operating with MMI. If MSP announces bankruptcy as well, that step may pull down also other smaller and larger firms and enterprises dependent on MMI.

- Our customers were MMI plants located not only in Nowe Miasto, but also in Biskupiec and Iława. I do not know if there is still any hope – complains Mr. Kazimierz Małek, president of MSP.

The co-operative employs over 60 people. If it really announces its bankruptcy, all of them will lose their jobs. The situation may be similar in the case of many other enterprises, which co-operated with Mazurskie Meble International.

Robots manufacture pallets at Palimex

An automatic production line for wooden pallets has been installed at Palimex. It was previously used in Germany and its main advantage is its mechanical drive.

MAŁGORZATA WNOROWSKA

Palimex, a German wooden pallet manufacturer, has its plant in Poland, located 60 kilometres south-west of Poznan. The company has been a production leader for a few years and today it is capable of producing as much as 7 000 square metres of ready product per month. Pallets are produced from timber packets which are purchased from sawmills, including Klausner, a huge Austrian company located near the German border.

“If I were to base production on our own sawing, I would need to saw over 160 000 square metres of timber per year in order to provide material for the current production level. Moreover, Palimex is going to increase its production of timber ready products and we cannot let the raw material shortages affect our production plans. That is why I gave up sawing and concentrated on one area of production,” says Andrzej Szantyka, the plant director.

The director at the Polish branch of Palimex believes that sawmills cannot limit their production solely to pallet elements but they must focus on the most valuable elements i.e. furniture boards or floor boards.

The pallet elements are only a by-product in the sawing industry.

Szantyka explains, “It is necessary to specialise in one area. We purchase timber from Polish manufacturers and fill shortages with material imported from Slovakia, Lithuania and Germany. Around 1 500 square metres per month are purchased from Klausner.”

The German supplier produces long, high-quality timber, sorted in packets, the kind that is so scarce in Poland. They provide dry material in 3–6 metre long packets.

“We have constructed a machine which forms timber packets and is capable of cutting 60 square metres of elements per one shift,” says Szantyka. “The machine is operated by one person and the packets are automatically transported to and from the saw after cutting.”

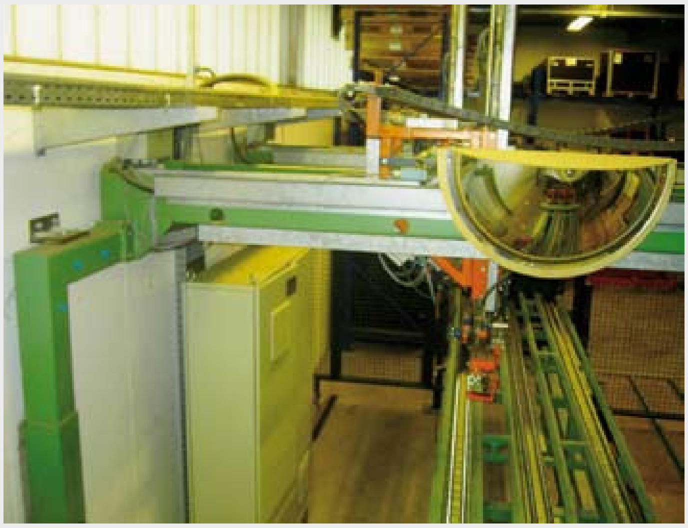
The current production line, a Swedish construction by Bejma, has a working capacity of 1 200 pallets per 8 hrs.

“Theoretically, according to the manufacturer, its capacity should be twice that. That is why, when I was buying this second-hand line, I did not pay attention to its “official” parameters but checked them in practice. The new line has a working capacity of 3 200 pallets per 8 hrs,” boasts Szantyka.

That can make Palimex the largest manufacturer of EURO pallets in Poland. Its biggest competitor, i.e. Zbigniew Marek, was able to maintain its production on a similar level but he owned as many as 3 plants. Now, he is likely to fall to second place.

The new line for pallet nailing at Palimex is a high, two-level construction making best possible use of the production room capacity. The construction has been devised by engineers from Holland, Italy and Germany who have introduced a few interesting solutions. First of all, a special convex mirror has been fitted so that an operator can see what is happening on the lower level.

5 robots transport pallet elements to nailing machine pockets (A.S.)



The constructors believe the mechanic drive will suit their needs better than a hydraulic one. It allows using less power and a faster nailing cycle (A.S.).

A convex mirror has been fitted so that an operator can see what is happening on the lower level (A.S.).

The pallet nailing process and transportation system are fully automated. Five pneumatic robots, each of which is responsible for one element, get to the material cut to the appropriate length, grab it and transport it to the relevant nailing machine pockets. One robot is responsible for 8 boards, two robots transport cantilevers to the line (one robot for big ones and one for small) and the fifth robot transports pallet legs. The production line, disassembled at a German plant, produced timber pallets with sawdust cantilevers. Palimex makes use of solid blocks. That is why the line is going to be equipped with a dimension saw, which will cut the blocks, while the robot responsible for the cantilevers will transport them to the nailing machine.

There are two nailing machines on the line. The constructors assumed that a mechanic drive will better suit their needs than a hydraulic one. It allows using less power and a faster nailing cycle. The hydraulic system requires oil activation which slows down the production process. Moreover, each instance of overheating of the oil seal affects nail driving. In the mechanical line purchased by Palimex, no such problems occur, and a control system has been installed to check nail driving accuracy.

Prime Minister Jarosław Kaczyński visited the plant in Grajewo

Polish Prime Minister Jarosław Kaczyński visited Pfleiderer Grajewo SA on 17th May. "We have a large investment of 350 million PLN here; it is the largest one in Podlaskie Region – remarked Mr. Kaczyński and asked – Is it an exception, or will such large projects will be implemented more frequently?

MAŁGORZATA WNOROWSKA

Photo: Pfleiderer

The Prime Minister Kaczyński was impressed by the dash of the Pfleiderer investment in Grajewo. The Prime Minister was shown around the plant by Mr. Paweł Wyrzykowski, president of the company

The visit in Grajewo was one of the items in the schedule of Prime Minister Jarosława Kaczyńskiego during his stay in Podlasie. Mr. Jarosław Kaczyński was accompanied by Vice Marshall of Senate Mr. Krzysztof Putra, and Mr. Kazimierz Gwiazdowski, MP. The Mayor of Grajewo, Mr. Krzysztof Waszkiewicz joined the government delegation.

The Prime Minister and the government officials arrived in Grajewo at 4 p.m., and started their stay in the region from a visit at the new plant of Pfleiderer MDF sp. z o.o. , where, let us remind you, a new plant of thin MDF boards has been constructed since October, 2005.

The Prime Minister was shown about the modern thin MDF board factory by Mr. Paweł Wyrzykowski, president of the company, who explained details about the most important facts of that project.

Mr. Kaczyński saw a model of the new plant and visited the painting shop and the main press shop, where installation works were almost completed. As he stressed, the Prime Minister has come to an efficiently operated and managed company. The rate of the works completion and the scale of the investment made a strong impression on Marshal Putra, who participated in the celebration of setting a cornerstone of the new plant in autumn 2005. The Prime Minister talked also with Mr. Paweł Wyrzykowski about the development plans of the Pfleiderer Group. The President stressed how important is the problem of growing difficulties with access to wood material for the future expansion of the company. The Prime Minister congratulated the whole staff on their great achievements, and wished success and good results of work to all of them. He also emphasized the role of the central government and self-governments in the establishment of such regulations and infrastructural conditions, in which well organized enterprises could effectively function and develop.

During a meeting with the residents of Grajewo and the representatives of the local self-government that took place after the visit at the plant, Prime Minister said:

- I have come here, because it is an important place in Podlasie, and I have been visiting the whole voivoideship today. I have also come to you with some special feeling, because Grajewo is not a town strange to me as a person. My father was born and spent the first years of his life in this town. I will talk with a special conviction, as I have, let me say that, an obligation to be grateful to this town. Half an hour ago I was at the premises of a large factory, which has been working, developing and becoming a state-of the art plant. We have a large investment worth 350 million zloty here: in fact it is the largest project in the Podlaskie Region. Is it an exception or will such projects will be implemented more frequently? Obviously, there are many factors governing that issue. The activity of local government authorities is significant, but the most important thing is how this land will be prepared in terms of people, their education, readiness for work, and also in terms of various equipment, infrastructure, which has been poorly developed in this region so far. The major role will be played by transport connections – said Mr. Jarosław Kaczyński.

Mayor Krzysztof Waszkiewicz, thanked the Prime Minister for his coming and interest in the problems of Grajewo and the region, and emphasized the lack of a by-pass road of the town. The Mayor handed the Prime Minister a copy of the birth certificate of his father, Rajmund Kaczyński, of 1922 and ensured Mr. Kaczyński that he could feel at home in Grajewo. The starost of Grajewo Mr. Jarosław Augustowski gave the Prime Minister a statuette of a wolf, symbolising the emblem of Grajewo.

Modernization of the thermal power plant in Koniecpol

PLN 12 million will go on investments in Koniecpol Fibreboard Factory Joint-Stock Company, implementing the most environmentally-friendly solutions for biomass combustion. The new installation will generate green energy not only for the board manufacturer but for local inhabitants as well.

Taking into account protection of the natural environment, Koniecpol Fibreboard Factory Joint-Stock Company applied to the European Union for financial resources from the Sector Operational Program Increasing Enterprises' Competitiveness for 2004-2006. On the 28th February, 2006, the Steering Committee of this Program issued a positive opinion on the project „Optimization of energy management in the Koniecpol Fibreboard Factory Joint-Stock Company", which was approved for implementation by the Managing Institution.

The project includes modernization of the OSR-32 boiler, development of a dust extraction system in order to co-combust biomass, development of a counter pressure turbine set and creation of a backbone for the local area network (LAN). The project is partly founded by the European Union with European Regional Development fund resources and is also supported financially by the National Fund for Environmental Protection and Water Management. In the modernized OSR-32 boiler a burner will be developed to co-combust wood dust, sawdust and other wood waste materials. The investment also includes building a dust extraction system for porous boards and hardboard lines as well as for the packaging department. Dust and wood waste materials are not used in production but they have high fuel value. Thanks to the co-combustion of biomass, coal combustion will be reduced by about 4.5 thousand tonnes per year and this means also a reduction of fuel combustion emissions.

In addition, a new turbine generator will be built. As it will produce combined electrical energy, the factory will become a producer of electrical power. Koniecpol Fibreboard Factory Joint-Stock Company produces thermal energy which is used in the technological production of fibreboards and by an external receiver - a nearby housing estate.

The electronic apparatus operating the boiler will be fitted with a measurement and control system which will create a database including information about the boiler's work and the concentration of different contaminants. The system will be connected to the Internet and included in the company's LAN.

The comprehensive solution for the boiler's modernization, including its adjustment to biomass co-combustion, connected with the turbine set development, dust extraction system and LAN, will enable a change in the process of production of thermal and electrical energy compared to the previous system and thus will be an entirely new investment. Due to the introduction of such a comprehensive solution in energy management optimization by Koniecpol Fibreboard Factory Joint-Stock Company, the following results (directly or indirectly influencing the natural environment) will be possible:

- reduction of emissions, i.e. their adjustment to Polish legal requirements.
- adaption of the boiler for the combustion of biomass (wood dust generated in the process of production of hardboards and porous boards by the wet method), which is not used in production but has a relatively high fuel value.
- increase of thermal energy production efficiency by the boiler's performance increase (by about 11%) allowing for improvement of the combustion's power effect.
- reduction of the amount of coal used due to the development of a counter pressure turbine set, which will enable electrical energy production combined with heat production for the company's own needs.

The investment's total cost: about PLN 12,000,000.

(mari)

Barlinek floorboards

Barlinek S.A. - European leader in layer floor manufacturing is investing intensively. This autumn production of floorboards will be launched in the company's first plant abroad - in Ukraine. Construction of another plant will start this year near Moscow. But this is not the end.

Barlinek S.A. has made a lot of big investments abroad this year. As soon as this autumn the first floorboard (Barlinek floorboard) plant will be opened in Vinnytsia in Ukraine. There is not only a modern floorboard production line there, but also all the necessary back-up facilities. Among them: a conifer and deciduous tree sawmill with frieze department, drying plant, boiler house and pellet-type bio-fuel factory. Production of sawn timber in Ukraine will allow the Company to diversify the sources of raw material supply. At the same time semi-finished products will be bought by the Barlinek Group in Poland from Barlinek Ukraine at very favourable prices (because raw material is much cheaper). Having its own sawmills will allow the company to completely control the product's quality even at the first stage of its manufacturing.

Just like in the company's Polish office in Barlinek, in Vinnytsia there will also be a modern distribution centre, ensuring storage space and logistical back-up for sales. It is also worth mentioning the additional investment in a production line for environment-friendly pellet-type bio-fuel. With this line it will be possible to recycle all wood scraps generated in the plant.

Machines have been installed in the main production area of the Barlinek floorboard plant and preliminary start-up of the line has already begun. Currently, roads and yards are being hardened and the process of fitting the office and distribution centre is well advanced.

The newest Barlinek floorboard plant is recognized as the largest plant of this type in Ukraine. Its production capability will be as high as 2 million m2 of flooring per year. Its eventual employment capacity will be about 400 people. The Ukrainian investment along with the back-up will cost about EUR 40 million (about PLN 150 million). A large proportion of the manufactured goods will be offered on the local market.

Russia

New experiences will be useful in the construction of Barlinek's second plant abroad, which will be situated in Czerepowce, 500 km North of Moscow. According to our analyses, the growing local market offers huge possibilities for growth of the wood processing industry. The choice of the particular location is explained by the rich reserves of high-quality raw material. The beginning of construction is planned for the end of 2007 and beginning of 2008. Just as in Ukraine, the plant will be an independent manufacturing entity. As well as the Barlinek floorboard line, which will have a capability of about 3 million m2, the investments of the Polish company will also include a bio-fuel production plant and flooring accessories line. It will most likely be one of the largest plants of this type in Russia. A large proportion of the manufactured goods will be offered on the local market.

The opening of the Russian Barlinek floorboard line is planned for the beginning of 2009. The investment's total cost is estimated at about EUR 55 million (PLN 210 million). The construction will be paid for through the stock issue last year, the company's own resources, and through loans.

Romania

But this is not the end of investments. The Romanian market is being analysed for potential construction of another production line. Final decisions concerning the location of Barlinek's third plant abroad will be made in the coming months.

Launching all the plants will create a significant increase in the production of Barlinek S.A., which manufactures about 6 million m2 of floorboard per year. Four Polish lines, located in Barlinek in the Westpomeranian region, are used to their full capability. Development of the company's production capability is meant to increase its exports. The company intends to strengthen its position both in the eastern market (including Russia and Ukraine - ever-growing demand and market prospects) and the western one (EU - Germany, Scandinavia, Spain). As well as the increase in production capability, another tool for penetration of the new markets will be the development of distribution channels and promotion of the Barlinek trademark.

from Ukraine and Russia

Poland

In the domestic market, Barlinek S.A. is a leader in the natural flooring sector, with a 65% share. At the same time more than 75% of the manufactured floorboard is exported to 35 countries in 3 continents. However, the company does not intend to limit the development of its production capability in its plants in Barlinek. Its plans include both manufacturing of floors and production of wood-scrap bio-fuel, which is becoming more and more popular and offers new and interesting prospects. The company has just started construction of a separate production area for a new bio-fuel line. Currently Barlinek S.A. owns two production lines for this environmentally-friendly fuel and their joint capacity is 50 thousand tonnes a year. The latest will be prepared to use wet scrap and will double the company's production. Moreover, the company is a significant national and European supplier of natural veneer, with a production volume of about 13 million m2 a year.

Barlinek floorboard

The main product of Barlinek S.A. is a layer floorboard called Barlinek floorboard. The flooring is made entirely of natural materials. It ideally combines the working properties and aesthetic values of wood with easy installation and maintenance. It ensures excellent thermal and acoustic insulation; it is resistant to stress and mechanical damage. Barlinek floorboard is composed of three layers of natural wood joined permanently by an environmentally-friendly glue. The bottom and middle layers are of conifer wood and are 3.5 and 8 mm thick respectively, while the surface is made of precious wood 3.5 mm thick. The flooring's surface is polished and can be covered with seven coatings of UV-hardened varnish (in a wide range of gloss levels) or with oil. After many years of use, Barlinek floorboard can be renovated by polishing and re-varnishing. Floors are assembled without glue using the „barclick" system (an original patented system, developed by the company). Barlinek offers floors made of Polish precious wood (including oak, beech, maple, ash, birch), and also exotic wood. The offer includes as many as 20 types of wood.

Ambitious managers at the very top of MTP

Tomasz Kobierski has become the new Deputy President of the Management Board of Poznań International Fair and Miłosz Matelski has been promoted to the post of Director of Drema and Furnica fairs. How do they intend to enhance the rank of these events?

MAŁGORZATA WNOROWSKA

Tomasz Kobierski

Markiet in Poland: **What new tasks face you as Deputy President of MTP?**

Tomasz Kobierski: My main task is to take a broad look at the company, which is a hallmark of Poznań and an icon of the Polish fair industry. I mean not only creating new products, but also supervising the infrastructure and developing the congress possibilities offered by MTP.

Markiet in Poland: **Which of your skills and experience gained as the director of the Drema and Furnica fairs, and then as director of the MTP product group, would you like to use in your new post?**

Tomasz Kobierski: I value professionalism and creativity. I believe it is especially important to create an atmosphere of good cooperation and to listen to the opinions of the industrial circles. I believe, that these features form a solid basis for accomplishing my future tasks.

Markiet in Poland: **Will you miss the direct contact with exhibitors that you had in your previous post?**

Tomasz Kobierski: I like talking to different people. Being Deputy President of the Management Board I am obliged to find business partners and to maintain these relationships. That is why I hope that this contact will become even more intensive.

Markiet in Poland: **How should the organization of fairs in Poland be modified to become equal to the world's best in this industry?**

Tomasz Kobierski: Above all we want our fairs' participants to attain the best possible marketing effect while keeping costs at a rational level. To make this possible for them we have daily discussions about modifications, which are partly being implemented. Now we know exactly who visits our fairs and we take great effort to develop a catalogue of tools and services allowing for the best results from participation in the fairs. Of course there are a lot of wonderful and inspiring solutions throughout the fair industry. However, we do our best to set development trends for our industry, based on expertise in management, marketing and public relations. Thus we can offer solutions responding specifically to the needs of our business partners.

Markiet in Poland: **Now that you have become director of the Drema and Furnica fairs, do you plan any new organizational solutions for these fairs?**

Miłosz Matelski: We are chosing a dynamic development direction for these products. We want our exhibitors to be able to use this marketing tool to the full. And fairs are undoubtedly a direct marketing tool. We implement ideas to help exhibitors promote market debuts, find their partners, rationalize their participation in fairs and to divide professional visitors into specific groups. Our activity brings good results, as evidenced by Fabryka Mebli na żywo (furniture factory). This project will be continued in 2008. This special space is an added value and its aim is to promote the most modern technologies offered by exhibitors in the most exceptional way.

Markiet in Poland: **What is the place of the Drema and Furnica fairs among the numerous events organized by MTP?**

Tomasz Kobierski: According to surveys by Polska Korporacja Targowa (Polish Fair Corporation) the International Trade Fair of Machines and Tools for the Wood and Furniture Industries (DREMA) rates third in Poland as far as exhibiting space is concerned. Therefore this fair is now one of the most important events in Poznań International Fair's schedule. Regarding the presence of market leaders, the number of presented innovations, world premieres and the rich program of events, DREMA has a leading position in Eastern, Central and Southern Europe. The Fair of Components for Furniture Production, FURNICA, is a rising star in the industry. Its program and exceptional nature respond to the participants' expectations.

Markiet in Poland: **Many exhibition events are organized bi-annually. Could this concept be applied to the Drema and Furnica fairs in Poland as well?**

Miłosz Matelski: There were surveys among exhibitors and visitors concerning the fair cycle and we concluded that in view of the favourable circumstances in the wood and furniture industry, the DREMA and FURNICA fairs should be organized every year.

Markiet in Poland: **This year's Drema and Furnica fairs will coincide with Holz-Handwerk fair in Germany. Was it intended or did it happen by incident? Don't you fear that fewer visitors may come due to this fact?**

Miłosz Matelski: It is important to avoid a collision with XYLEXPO and LIGNA+ fairs. This helps maintain the industry's status quo. Of course we were aware of the fact that this fair is organized in Nuremberg, but the suggested new date is the most convenient for the participants of our fair. It is important for them, that the interval between the DREMA and FURNICA fairs and MEBLE fair should be as long as possible. We organize the MEBLE fair (exposition of ready-made furniture collections - ed.) for the beginning of June. The current date, announced in April and discussed with industry associations, allows for more effective participation in the DREMA and FURNICA fairs.

Markiet in Poland: **Do you know already what the area of next year's fairs will be and how many exhibitors there will be?**

Miłosz Matelski: We can forecast in the course of preparations how big next year's exhibition will be. We know now that 58% of exhibiting space of next year's DREMA and FURNICA fairs has already been reserved.

Markiet in Poland: **According to exhibitors they are very concerned with visitors from the East. What do you want to do to encourage them to come to Poznań?**

Miłosz Matelski: During the DREMA and FURNICA fairs almost two hundred new products are presented by the exhibitors and there are virtually all the market leaders among them. Many of these solutions have their world premieres here. Together with our partners we organize special exhibiting space and prestigious meetings of the industry's respected circles, e.g. Polwood. The exceptionally broad scope of themes and good fair infrastructure, which encourages new and effective business relations - these are the main arguments for coming to the DREMA and FURNICA fairs.

Markiet in Poland: **When you were the director of the PIF product group, collaboration with EUMABOIS was established. What advantages can you see from this?**

Tomasz Kobierski: Almost 1 000 companies, manufacturing woodworking machines and accessories belong to the European Federation of Woodworking Machinery Manufacturers, EUMABOIS. This organization has gained a lot of trust among its members. I am very glad that it recommended DREMA, because this means that as the organizers of this fair we fulfil the requirements of the leaders of the woodworking machines and tools industry and that we offer world class participation for them.

Get business card from page 91

Miłosz Matelski

I'm going to privatise the plywood manufacturing plant in Orzechowo

Fot. W.B.

"We are the most important manufacturer of blockboard in the country", says Waldemar Bojarski, the new President of OZPS, who wants to make use of this advantage during the organisation of Euro 2012 in Poland.

Waldemar Bojarski, the new President of Orzechowskie Zakłady Przemysłu Sklejek (OZPS), sees an opportunity for success in the privatisation of the company and funds acquisition for further investments. He also expects larger orders for joinery products thanks to Euro 2012.

The main and most important goal that motivates me as the company President is to carry out the privatisation of OZPS Orzechowo. After many years, the main obstacle, which was the unclear legal status of the land, will soon cease to exist. It will then be possible to prepare the business for privatisation.

By 30 June the commercialisation application will have been submitted to the minister of the Treasury, and the transition period in the changes to the ownership of the business will commence.

Orzechowskie Zakłady Przemysłu Sklejek is one of the industry leaders in Poland. We are third in the country with regard to revenue on sales, and our share in the market is around 13%. If we take into account the volume of plywood production, OZPS is the sixth biggest manufacturer in Poland with an almost 9% share in the market. We are the largest manufacturer of blockboard in the country with a share in the market of around 65%.

The most strategic recipients on the domestic market are the furniture manufacturing companies. Their total share in sales for the 1st quarter of 2007 was 72 %. The company is trying to diversify the industries which it supplies with its products. An important industry from our point of view is the construction industry whose development during recent years, connected with granting Poland the right to organise EURO 2012, should influence the increase in the portfolio of orders for timbered plywood and plywood used for floor manufacturing.

The thriving economic situation allows us to choose the most profitable orders and to raise prices, especially on foreign markets. In my opinion, the economic situation should remain like this until the end of the year. However, one should note the difficult situation on the wood raw material supply market. The shortage of raw material for production limits our productivity, and we could produce and sell even more. I can see the need for changes in the wood sales system which functions at present. OZPS is a company with over 110 years of tradition and which employs over 500 people. I cannot imagine that nowadays, the problems with wood raw material supply might limit its development.

Our company has also recorded an outflow of highly qualified personnel, which reflects the tendencies across the whole country. We are looking for employees with the help of employment agencies, job advertisements and internal recruitment. Unfortunately, the location of Orzechowo and the available transport do not enhance the attractiveness of the employer. We spare no effort to keep the presently employed staff, since it should be emphasised that their qualifications, experience and involvement are the greatest assets of Orzechowskie Zakłady Przemysłu Sklejek.

Our company has always been very sensitive to the euro exchange rate fluctuations. At present, we sell 35–40% of our production on the European markets, and in the past it used to be around 50%. With the current euro exchange rate, and with the increase in production costs, export is not very profitable. The current euro exchange rate is favourable to plywood, blockboard, and other woodbased product importers. To sum up, the stronger zloty results in a decrease in the export revenue of domestic manufacturers, and in an increase in the attractiveness of goods exported from China.

We are not afraid of competition and we are going to develop further: we plan new investments and want to modernise the plant.

The most important investment during recent times was the biomass boilerroom with an output of 12 tonnes of vapour an hour, which was put into operation last year. The cost of the investment amounted to nearly PLN 10 000 000. It is the second environment friendly boilerroom in the company. The investment allowed us to eliminate fine coal from the burning process. This has a positive influence on the natural environment and also on the lowering of production costs. In 2007 we plan to purchase new production machines and equipment and to modernise the existing machinery park. The investment needs of OZPS are still quite large. Unfortunately, the company has limited own resources, and the renovation of technological lines requires significant expenditure. Privatisation and acquisition of an investor should be just the solution to the problem.

Edmund Mzyk

Mr. Edmund Mzyk (58) informed us that he withdrew from the management of the companies, including Paged SA, and decreased his share from 11.17% to 3.42%. Mr. Edmund Mzyk and his family has shares not only in Paged, but also in Yawal, which deals in the production of aluminum structures. The market value of the share capital of both blocks of shares is around 82 million PLN. A transfer has already started of the shares held by Mr. Mzyk to a fund especially established for him and managed by TFI Opera (Fund Management Corporation.)

- I decided to withdraw from the management of the companies. It is a stressful job which takes a lot of time. I am going into retirement and taking up my hobbies. I have a lot of them: sailing, golf, hunting, skiing – said Mr. Edmund Mzyk. – I am not going to leave those companies for good. They have a large potential for growth – says Mr. Mzyk. However, he plans to draw cash from the fund for current expenditures whenever he needs it. It does not mean that he is going to sell his shares.

Mr. Edmund Mzyk is a graduate of the Faculty of Mathematics, Physics and Chemistry of the Silesian University (main subject: mathematics.) He was president of the Board of PPH YAWAL (1990-1991), next President of the Board of YAWAL System Sp. z o. o. (1991-1996) and President of the Board of YAWAL SA (1997-2000). In 2000 he was appointed President of the Board of Paged SA with its registered office in Warsaw. Between 1996-2002 he was also Chancellor of the Lodge of Częstochowa Business Centre Club. He is a Member of the Częstochowa Rotary Club.

Tadeusz Banach

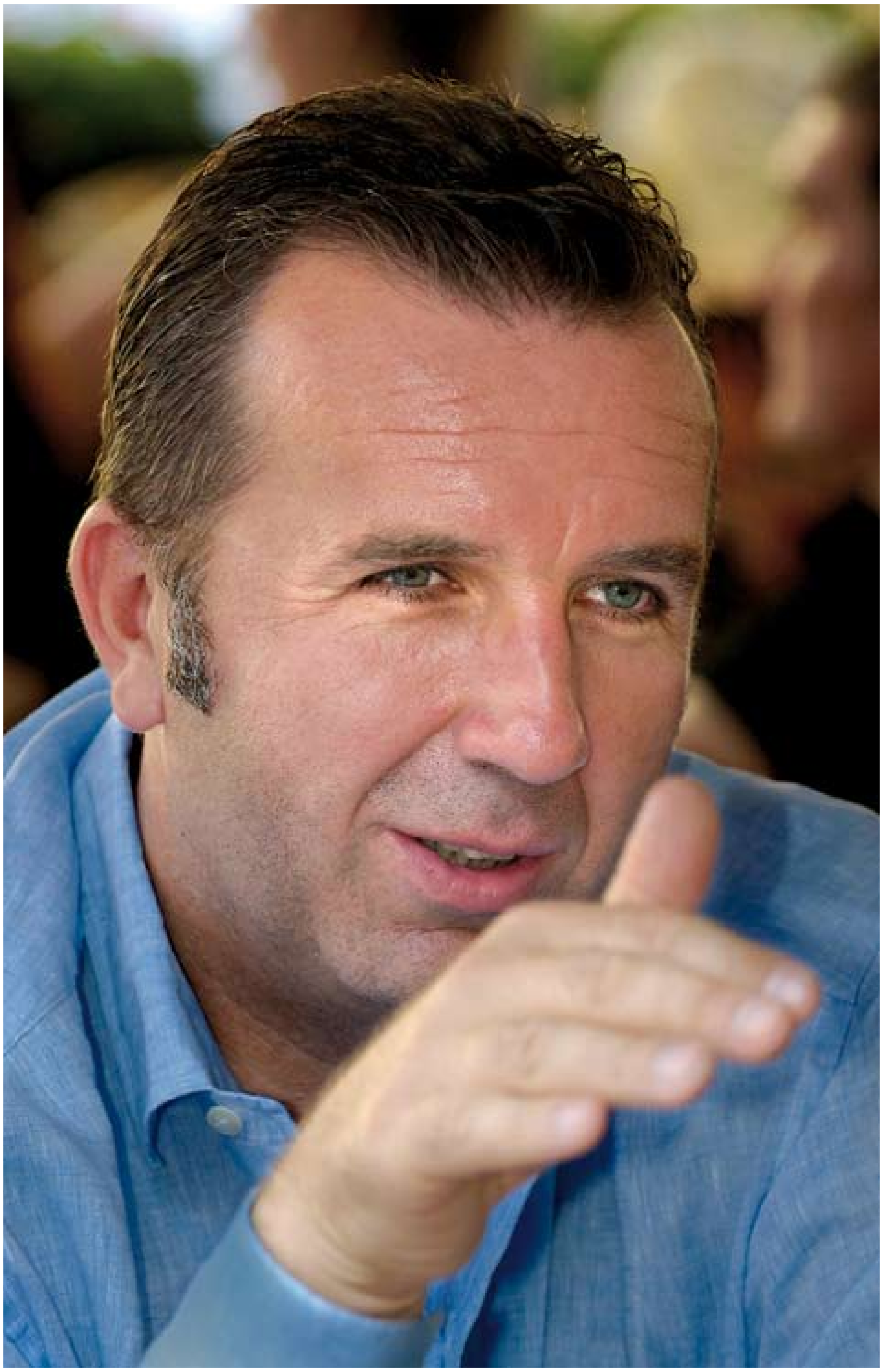
As a result of the persistence of protesting employees, Tadeusz Banach, was restored to the position of president of Sklejka Pisz. The decision on restoring the Board was taken by the new Supervisory Board made up of the officials of the Ministry of the State Treasury, Mr. Leszek Podosek-Przygoda and Mr. Leszek Biedka.

Let us remind you that the Supervisory Board dismissed Mr. Tadeusz Banach as president on 18th May, 2007. Mr. Marcin Poczobutt started to fulfill his duties. However, the employees were afraid that the changes in the management board were aimed at the merger of Sklejka Pisz with Paged, its competitor, which would end investments in the plant.

At present, 100% of shares in Sklejka Pisz belong to the State Treasury. However, there have been plans this year to introduce the company to the Warsaw Stock Exchange. After Paged, it would be the second plywood manufacturer quoted on the Warsaw Stock Exchange. Paged planned to separate Sklejka Paged and to issue its stock on the Warsaw Stock Exchange.

'The dismissed Board led the company in a good direction' stated the employees, who decided to defend the dismissed Board, including the president, Tadeusz Banach, and began a strike at the plant. On Tuesday, 29th May, the police intervened at the request of the new Board, who wanted to enter the premises of the plant. There was some pushing and shoving with staff blocking the entrance. As many as 40 policemen took part in the intervention. As a result of that difficult situation it was decided to anul all the changes and to restore Mr. Tadeusz Banach , who has been president of the Board since 2001, to his position on the Board.

The owner of a floor factory is the richest Pole



SYLWIA MARCINIAK

Among the richest Polish persons, whose ranking was developed and published by the "Forbes" monthly there were several representatives of the wood and furniture industry. The richest Pole of the year 2007 is Michał Sołowow.

In 2007, among the representatives of the industries, which brought incomes amounting to millions and billions zlotys, there were also several representatives of the wood-related industry. The list of the richest Poles included the owners of companies manufacturing furniture, wood joinery and floor panels. However, the wood industry does not have a lot of representatives on the list, but the richest Pole is connected with it.

The richest Pole of 2007, turned out to be a stock exchange investor and rally driver, Mr. Michał Sołowow. Last year he took the sixth position on the list of the Poles with the largest fortunes. Michał Sołowow is known in the wood industry thanks to the Barlinek brand, of which he is the main shareholder. Mr. Sołowow has also shares in such companies as: Cersanit, Dwory and Echo Investment. His assets are estimated at 7 billion zlotys.

Right behind the first ten Mr. Tadeusz Chmiel is rated, who is the owner, together with his wife, of 95% of the shares of Black Red White Furniture Company, which specialises in the production chipboard furniture (1,900 million zlotys.)

The 51st place is taken by Mr. Krzysztof Pruszyński whose name was associated with metal sheet production not so long ago. At present, he is also the owner of Stolbud Włoszczowa, a manufacturer of wooden windows and doors. His assets are estimated at 330 million zlotys.

The list contains also the co-owners of the Komfort Group, to which belongs Porta KMI, a door manufacturer, i.e. Mr. Mieczysław Ciomek, Jacek Sarnowski and Romuald Stachowiak. All of them were ranked 59th, and the assets of each of them were estimated at 290 million zlotys.

The authors of the ranking list included data, which was possible to assess, based on available and reliable resources. First of all, it was business assets. Another resource of data was information published by shareholders of public companies quoted on the Warsaw Stock Exchange. Shares were estimated on the basis of the quotations of 12th February, 2007. In the case of non-public companies, the grounds for the estimation of assets were financial statements for 2005, which were submitted to district courts. In some instances, also data for 2006 were taken into consideration, if they were revealed to the public.

The value of stock and shares was estimated based on revenues, operational results, net results, equity and debts. The calculations do not cover the private part of assets, such as e.g. funds deposited on a bank account.

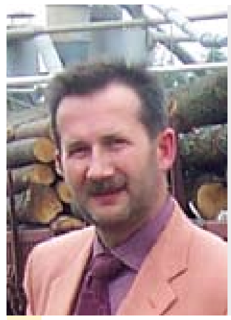
The richest Pole of 2007, turned out to be a stock exchange investor and rally driver, Mr. Michał Sołowow

The list of Polish wealthiest persons contains also Krystyna and Ryszard Florek, the owner of Fakro, a well known brand of roof windows whose assets are estimated at 270 million zlotys.

Very profitable was also Fabryka Mebli Bodzio (Bodzio Furniture Factory.) The assets of its co-owner, Mr. Bogdan Szewczyk amounts to 250 million zlotys.

Representatives of the wood and furniture industry, who were ranked on the "100 richest Poles" list.

- Michał Sołowow, 1st position on the list, Barlinek
- Tadeusz Chmiel, 11th position on the list, Black Red White
- Bogdan and Elżbieta Kaczmarkowie, 16th position on the list, ABWood
- Krzysztof Pruszyński, 51st position on the list, Stolbud
- Krystyna and Ryszard Florek, 61st position on the list, Fakro
- Piotr Voelkel, 65th position on the list, VOX-Industrie
- Bogdan Szewczyk, 74th position on the list, Fabryka Mebli Bodzio



Waldemar Czarnocki

Waldemar Czarnocki was appointed Member of the Management Board and President of Paged SA by the Supervisory Board of Paged SA. The new president commenced his duties on 1st August, 2007 for a 2-year term between 2007-2008. He replaced Mr. Krzysztof Bukowski who had filled the post of President of the Board Paged SA, until 31st July, 2007.

Waldemar Czarnocki is a graduate of Białystok University of Technology, where he graduated from the Faculty of Electrical Engineering. He also has a certificate of offical receiver.

Between 1994 and 1996 he was an administrator of the state owned enterprise Mazurskie Zakłady Przemysłu Sklejek in Morąg (Mazury Plywood Plant). After the privatization of the Plant, he was president of the board and general director of Paged-Sklejka SA from 1996. He was the author of the company's success in the recent years and an initiator of the company's improvement, new investments, a wider product offer and stronger exports. He actively participates in the activities of the Association of Wood Based Panel Producers in Poland. In the past he was also member of the supervisory boards of several companies belonging to the Paged capital group. More information on Paged-Sklejka, which has been managed by Mr. Waldemar Czarnocki so far is available in the "Market" section.

Polish manufacturers of woodworking machinery, devices and tools, members of the DROMA association, exhibited their products at the Drema Fair.

Photo M.Wnorowska

MAŁGORZATA WNOROWSKA

Prof. dr Józef Olszyński, the manager of the Trade and Investment Promotion Section of the Embassy of the Republic of Poland in the Federal Republic of Germany, visited the stands of Polish companies presenting their products at the LIGNA+ Fair in Hanover.

On his visit to the Ligna+ Fair, ambassador Olszyński was accompanied by TIPS employees. Among the employees was Joachim Thannhäuser who assured the entrepreneurs that there was still a lot of room for Polish products in Germany, and that the role of the embassy was to help those who wanted to develop export to Germany.

The visit was arranged by DROMA, the Association of Manufacturers of Woodworking Machinery, Devices and Tools. However, the Chairman of the association Andrzej Półrolniczak was not present in Hanover, and it was Lesław Pałosz from Jaroma, who welcomed the guests of honour on behalf of the association.

"We are not on the Promised Land, but we are in a country of great significance to us. To the majority of Polish companies present at the fair, the export to Germany is the most important activity as far as the volume is concerned."

After a short welcome to the guests, the ambassador and his companions visited individual Polish stands and while chatting with the exhibitors got to know Polish technologies for the wood and furniture industry.

"We sell 24 billion EUR worth of goods to Germany. The first place is occupied by the products of the machinery industry, and thus also your machines," said Józef Olszyński. "The products manufactured with the use of your machines, i.e. furniture, are our second most important commodity exported to Germany. We sell over 2 billion EUR worth of furniture to the Germans."

"We have to put even more effort into the promotion of Polish products," added Joachim Thannhäuser. "We can take advantage of the EU funds, e.g. the Cross-Border programme. With the next edition of Ligna+ Fair, it might be worth collecting information about Polish companies wanting to exhibit their products in advance, and then send out invitations to potential customers and arrange meeting dates in Hanover. In order to look efficiently for partners on the German market, we might start co-operating with DROMA. After all, it is our statutory task, for which you, the taxpayers, have to pay. Why not seize the opportunity, then?"

The first stand visited by the ambassador was the Jaroma stand.

Polish exhibitors at the LIGNA+ Fair

CODIMEX, DREMA, ECRU, FABA, FAMAD, FENES, FREZWID, GASSTECH, GOMA, GOPOL, JAROMA, LAKFAM, LIGNUMA, MAGNUS, OSKA, PS LOGISTICS, RO-MA, TANEL Electronics, TEKNAMOTOR, WIKOMA, WIREX

Poles at LIGNA+ fair in Hanover

"The company has been in private ownership for four years. We have been rebuilding relations with Russia, and the whole eastern block, as far as to the Chinese border," boasts Jakub Data, the President of the board of Jaroma.

Mr. Data also presented a furniture board edgebander, which won the MTP Gold Medal, for medium companies. The ambassador could see the successive stages of the machine's work: putting the board in, applying glue, pressing down, cutting, moulding, and finally polishing.

"Last year, we sold a hundred of such machines, mostly for export," added Jakub Data. "This year, we have introduced a new edgebander, which works at the speed of 15 m a minute. During the fair, we have already sold six such machines."

Another company at the "Polish centre" of the Ligna+ Fair was OSKA. At its stand, the embassy guests could see the most up-to-date wood splitting machine and familiarise themselves with the documentation for the Pertykozy sawmill investment executed by OSKA.

"We may only present a small sample of our possibilities here, since we are restricted by the exhibition area," said Kazimierz Kasprowicz from OSKA. "The government should consider subsidising the participation in the fair and simplify the subsidy application procedures," he suggested to the embassy guests who admitted that the problem was worth attending to.

At the Goma stand, one could see a micro-dovetail press with a special device for cutting out defects. The ambassador liked the machine so much that he himself made marks with a fluorescent marker in order to check whether the machine would really cut the board exactly through the spot where he had made the mark.

Sławomir Stolarek from Lakfam, a company manufacturing tool grinders, admits they are looking for partners from the East in Hanover.

"They are our main customers, even as much as 50% of our production goes to Russia," he adds.

The joint stand of Droma also hosted Gopol, a saw manufacturer who exhibited its products, and Tanel, a company that won the Gold Medal at the Poznań Fair for its wood hygrometer.

Famad from Paczków exhibited its presses for construction joinery bonding.

"Our presses bond squares for leading manufacturers of windows which are then exported all around the world," boasts Bogdan Surówka from Famad. "Since I know who uses which technology, I can recommend best window manufacturers in Poland."

Jakub Data presents new Jaroma products to the ambassador.

Photo M.Wnorowska

15th anniversary of the Gawin Furniture Factory

Gawin furniture showroom is situated in Długołęka and the celebration was opened there.

Photo. I. Muszalowska

Gawin Furniture Factory, the leading Polish furniture manufacturer celebrates its 15th anniversary.

IRENA MUSZAŁOWSKA

The Company celebrated its anniversary on 14th July in Królewska Wola near Wrocław where the Company's production plant and Gavin Królewska Wola Sports Club sponsored by the furniture manufacturer is located. However, the beginning of the event was elsewhere. Gawin furniture showroom is situated in Długołęka and the celebration was opened there. Invited were the representatives and owners of furniture showrooms and warehouses, suppliers of hardware and components for production, and mass media representatives. The guests were greeted by the owners of the company: Mr and Ms. Adam and Petronela Gawin.

The showroom consisting of two spatial floors presented an abundance of furniture design, including: lounge suites, room furniture, dining room furniture, kitchen furniture, bedroom furniture, furniture sets for youngsters and chairs, in one word a whole range of interior design. The presentation was accompanied by piano music and the tasting of exquisite French wines.

The next part of the event took part in Królewska Wola at the premises of Gawin Królewska Wola Sports Club. A friendly football match was played in a break between performances. Two teams were playing: The Polish Star Team led by Mr. Andrzej Strejlau and Mr. Mariusz Gawin and his friends. Among the players of the Polish Star Team were such popular football players as Kusto, Motyka, Kubicki and Wójcicki, while the team of Mariusz Gawin and friends was strengthened by Majdan, Gilewicz, Czerkawski and Zegan.

The team coached by Andrzej Strejlau dominated from the very beginning of the match, and in spite of the fact that their opponents were more active from time to time the score was 4:1 at the end of the first half. In the second half Gawin's team made their best efforts to make up for the lost game, but their opponents put up stiff resistance. Despite a further four goals scored in the second half, they were not able to catch up with their rivals. Finally, the Polish Star Team won the match 7:5.

Andrzej Gawin, the founder of the Gawin Furniture Factory

Fifteen years is a lot. During that time we have been creating the company, its structure; we selected Professional staff and invested in infrastructure to finally build our current offer. The recipe for success is, first of all, constant work and consequence in everything we have done, but also a bit of luck. We hope that if we continue to work hard and still are lucky, we will successfully compete on the furniture market.

At the beginning our offer was rather limited and consisted of furniture sets, mainly wall units and bedroom furniture. Only later we added to the offer upholstered furniture and other furniture like tea tables, tables, chairs and furniture systems. Only recently we have started to offer Gawin kitchen furniture, and the luxurious Gawin Design collection. Our customers can find in our company outlet furniture both for the sitting room, kitchen and dining room and save their precious time. It is convenient for the customer, and additionally distinguishes us from our competitors. Our offer is dynamically changed, depending on our customers' needs and requirements. Upholstered furniture has the largest share in our production and offer. Furniture sets with a sleeping function such as classical DONATA, RICO and ALTEA have been recently included in the national furniture sales ranking. Besides them, we launch new items, which have been awarded many times, including NATA, MODENA and SAN REMO. We are particularly proud of the new products of the Gawin Furniture Factory: the exclusive and modern set of kitchen furniture called London. It is already available at our company outlets.

Currently we export around 45% of our production to 35 countries, mainly to European clients. Our three major export directions are: France, Hungary and Romania. Other clients include Czech Republic, the UK, Belgium, the Netherlands and the Baltic States (mainly Latvia) and Scandinavia (mainly Finland.) Our furniture is also popular in the USA and in the Middle East, where we also export our products.

We do our best to satisfy demand on the market, and that is why we use most modern machinery and technologies. Our main processing lines are equipped with the state of the art machining centres and CNC machines which guarantees an appropriate production capacity and high product quality.

Our company willingly involves in the social and sports life of the region. We take part in the organisation of charity and aid actions for the local community and educational institutions. We arrange and sponsor numerous events and festivals, where popular stars give their concerts. The sports adventure of FM GAWIN started in November, 1999. At present, our sports club KS GAWIN Królewska Wola advanced to the 3rd Football League and finally has its new stadium with a modern infrastructure.

Wood – a source of material and energy

Photo: WTI

Participants of the conference visited a plant belonging to the Vox Company, and went on an excursion to Biskupin, a fortified settlement from the Late Bronze Age.

The international conference held at the Mercure Hotel in Poznań confirmed the belief that wood is the most versatile raw material which is more and more widely used. The guests from Poland and abroad exchanged information and many interesting experiences.

FILIP JACKIEWICZ

The result of the collaboration between the Wood Technology Institute in Poznań and InnovaWood was the International Conference, 'Wood – a source of material and energy', held on 25th and 26th June 2007. The aim of the conference was to provide updated synthetic knowledge about the direction of the use of wood both in Europe and in Poland for two different purposes: manufacturing of materials demanded by the market, and energy production.

Should wood be processed or treated as a source of energy? – This has been a dilemma of recent years in Europe and globally. Wood is an extremely precious raw material: an excellent structural material, featuring unique functional properties. However, traditional (fossil) raw materials to generate power have been running out, so we have to search for new power sources. One of the most environment friendly solutions is the combusting of biomass, including wood. The issue is so grave that it has been reflected in the priorities and indices adopted by the European Union and binding for all member states – says Ms. Ewa Ratajczak, PhD, Associate Professor, the organizer of the conference supported by Mariano Perez Campos, PhD and Denis McGowan, representatives of InnovaWood.

The speeches delivered during the conference were prepared by representatives of many areas related to the wood industry. The paper entitled The wood market in Poland – the structure of use; industrial and energy purposes was presented by Ms. Joanna Pikuła, M.Sc. and Mr. Wojciech Cichy, PhD, representatives of the Wood Technology Institute. The authors came to the conclusion that industrial wood processing in a country so abundant in timber as Poland, should be a priority. Obviously, scientists support also the use of wood as an energy source, but they also called for development of alternative energy sources.

Maria Antoni Hikiert, Eng. M.Sc., a representative of the Wood Based Panels Producers Association in Poland presented a paper entitled: Material and energy – the use of wood in Europe. The presented data clearly shows that the use of wood in Europe has been steadily increasing in all sectors of the broadly understood wood industry.

The Polish authors of the presentations at the conference included: Mr. Andrzej Sławiński, PhD. from the National Contact Point for the EU Reasearch Programmes and Piotr Gołąb, Eng. M.Sc. of the Polish Chamber of Biomass.

The foreign guests also presented the results of their research. Mr. Gerfried Jungmeier, PhD of Joanneum Research Forschungsgesellschaft talked about positive experiences of Austria related to the use of biomass. He persuaded the conference participants that biomass could generate heat, electrical power, fuels, and protect the environment at the same time.

Ms. Nadja Bacher, M.Sc. of the Institute of Energy and Environment, Leipzig presented the current condition and prospects for the standards for solid biofuels.

The sponsors of the conference were Dalkia, Steico and Synergia, whose representatives told of their experiences in the production and trading of biomass in such a special market as Poland and eastern Europe undoubtedly is. All participants agreed that that market is young, unstable and requires time to become established and fully developed. An interesting presentation was delivered by Mr. Uwe Lange of Steico Polska, who showed that wood was an insulating and energy saving material.

Election of the Forests and Timber Commission

On 20th June in Leśny Ośrodek Szkoleniowy in Puszczykowo elections of members of the Forests and Timber Commission were held among saw-millers and representatives of the garden program.

FILIP JACKIEWICZ

Discussions were very emotional from the outset. Fears that the tree professionals in their own milieu would not be able to choose seven new members for the Forests and Timber Commission did not appear unfounded. Each association or group of tree companies wanted to nominate its own member to protect its interests in disputes with State Forests. However, everybody agreed that the chance should be used and that trustworthy tree industry experts should be introduced to the Commission, because without the elections, the Commission would be created anyway, and its members would be chosen by the Director General.

One of the main problems indicated by the tree professionals during preliminary discussion was insubordination of members of the Commission. They were often absent from the Commission's meetings, causing disarray and lack of a joint position for the entire tree industry. Regarding this, some of the participants of the electoral meeting suggested passing a motion allowing for substitution of an absent member of the Commission. The idea was rejected, because the participants forgot that the Commission forbade substitution at one of its meetings.

In dealing with these problems, the participants of the electoral meeting tried to answer the question asked by Bogdan Czemko, managing director of the Polish Business Chamber of the Wood Industry:

„Should the Commission exist and should tree professionals participate in it?"

"The Commission should exist, but its form should be different. The entire tree industry has one goal - to log. Why then is the Commission divided into industries? Let's vote for responsible and trustworthy people" - suggested Andrzej Salicki of Stowarzyszenie Średnich i Małych Przedsiębiorstw Branży Drzewnej Tartaki Warmińsko-Mazurskie (Association of Small and Medium-sized Enterprises of the Tree Industry - Warmia and Mazury Sawmills).

Bogdan Czemko noted, that preparations of the Commission's composition are so advanced that any further changes and upheaval would only demonstrate the weakness of the tree industry and the State Forests are ready to use it.

"We are not able to hold the State Forests in check in any way, so I believe that the Forests and Timber Commission should exist and we should participate in it" - added Krzysztof Nowosadko of Stelmet S.A.

Bogdan Czemko proposed choosing seven candidates for the Forests and Timber Commission from among the members of industry associations and groups, and the idea won unanimous support. It will probably bring some order to tree professionals' activities. Moreover, such groups are legally authorised and protected by law.

The most fiery discussion concerned the issue of how to divide the seats in the Commission among the existing organizations. Only Ludwik Olczyk came up with a specific idea, which was supported by the participants, along with the idea of choosing the delegates from industry associations. It was decided that the seats would be divided according to the quantity of material converted in a year. Then, Bogdan Czemko presented a motion, stipulating that out of five seats in the Commission designed for saw-millers, three would go to the Polish Business Chamber of the Wood Industry and the remaining two would be divided between other existing associations. Despite the earlier compromise on the division of seats, Aleksandra Serrarens of Stowarzyszenia Tartaków Polskich (Association of Polish Sawmills) and Andrzej Sawilski of Stowarzyszenie Tartaków Warmińsko – Mazurskich (Association of Sawmills of Warmia and Wazury) demanded more seats for the remaining organizations, but this idea was rejected.

Emotions were soothed by a dinner and informal arrangements. After the break Longin Graczkowski, the president of the Polish Economic Chamber of the Wood Industry appealed to common sense and suggested assigning the two remaining seats to the associations of Polish Sawmills and of Sawmills of Warmia and Mazury. Nobody opposed and Andrzej Salicki added that he agreed to such an arrangement provided that a council for the industry organization would be created as soon as possible to define a joint action plan for tree professionals.

As far as the two seats for representatives of garden system are concerned, the tree professionals agreed to assign them to the Polish Economic Chamber of the Wood Industry and to Stowarzyszenie Producentów Architektury Ogrodowej Lignum ("Lignum" Association of Garden Architecture Manufacturers).

Students of Secondary Technical School of Wood-related industries from Garbatka attend a course in Germany

MARCIN TOMASZEWSKI

The students the Secondary Technical School of Wood-related industries from Garbatka went for a three week course in Saxony, Germany within the Project entitled: "Development of vocational skills in furniture woodwork using the example of the woodworking industry in Germany."

It is a very important test for a student when someone they do not know gives them instructions supervises them and finally gives a grade for the work they have done.

The Secondary Technical School of Wood-related industry in Garbatka-Letnisko is a school with a long-term tradition, which has been educating professionals for 60 years. We make our best effort to annually provide Polish society with highly professional cabinetmakers, which is achieved by our participation in different projects, upgrading our equipment and machinery and improving our curriculum.

Luckily, we are living in the times when widely understood family connections and social contacts have been slowly losing their importance, and it is enough to be a good professional to find a job. We, who are the teachers at a school educating future cabinetmakers, understand that good education is decisive for our graduates and will ensure good quality of their future lives. We do our best to satisfy their needs and expectations by participation in the initiatives, which will develop their potential and their professional skills. One of such initiatives is participation in the project we prepared and entitled: "Development of vocational skills in furniture woodwork using the example of the woodworking industry in Germany" in the framework of the Leonardo da Vinci Programme. This year our students went for a three week course in Saxony, Germany for the first time in the history of our school. The project initiated by us was for many reasons very successful. First of all, it was great fun probably for each student to go abroad and to see new places, meet new people; which is all the more meaningful that some of the boys have never travelled so far away from the place where they live. Another important reason which proves the sense, and in my opinion, the need for organizing such courses is a possibility of improving language skills. It was a real opportunity of experiencing interpersonal communication, which cannot be taught at school. During the stay in Saxony, our students had to communicate in German, and additionally at the centre where they stayed many young people were living from such countries like Czech Republic, Spain, Bulgaria and China, so our students had to speak English. Finally, the most important thing: each student had to pass a practical exam conducted by German instructors to obtain credit for the course. In my opinion it is a very important test for a student when someone they do not know gives them instructions supervises them and finally gives a grade for the work they have done. This resembles a situation they will face in the nearest future when they will be looking for a job, when a stranger, and not a well know teacher, will estimate what they know and can do. In such situation, they start from scratch and using their skills have to work hard for opinion about themselves. We very much liked the fact that, our course schedule was very flexible and we could arrange it as we wished. We asked for our students to use manual tools during the course, to improve their skills in manual woodworking. I can proudly say that the fruits of our stay in Germany include draughts and yonmoque boards beautifully decorated with intarsia and wood carved flower stands decorated with intarsia. We are even more proud of our students' conduct, as they made the grade and left a good impression with the German instructors. Finally, it is worthwhile mentioning that both the course and our whole stay in Germany were organized in a way, which allowed us to do a lot of sightseeing in the region. We visited Leipzig, Bautzen and Chemnitz, where we saw many Saxon industrial and historical monuments. Three weeks passed very quickly and we came back to Poland with a hope and trust in our abilities.

The author of the above article
is a workshop manager at the Secondary
School Complex in Garbatka-Letnisko

Foresters do not

MAŁGORZATA WNOROWSKA

The Inspection is everywhere. Or, to be precise, it drives everywhere and when it notices a load of wood, it turns on its "follow me" sign. It can force someone to follow it up to 50 km to a weighbridge. Then, the vehicle waits for a couple of hours, until it is weighed and measured. And the Inspection body imposes fines.

Fines imposed on drivers transporting wood should be addressed actually to forest inspectorates. Foresters don't comply with traffic regulations and don't prepare wood for transport according to instructions.

"We refer to the State Forests' instruction, requiring wood to be cut to a length of 12 to 13.5 m. And foresters explain that if they cut wood like this, they lose the wood quality class and so they do not cut to this size. Sometimes, the wood is 19 or 24 metres long! An entire load on a vehicle must not exceed 16.75 m in length - says Zbigniew Śmiechowski, president of the company Trans-Wood, specializing in wood transport. - We try to make sure that lumber is not too long. We take the wood to Poltareks or other sawmills and our employer helps us to cut the wood right there, in the forest, but this is against health and safety regulations as well, because piles of logs are very big and the risk is high."

In the case of an inspection, traffic inspectors do not accept the drivers' explanation, that it is not they who are responsible for overloading, since load size declarations are filled in by forest inspectorates.

"We wrote letters to Główny Inspektorat Transportu Drogowego (the Central Inspectorate for Road Transport) on safety and hygiene inspection, but we have received no answer. The Labour Inspectorate replied that they have no influence on State Forests, which are a state inside the state" – Zbigniew Śmiechowski says.

Unofficially, we learned that a meeting of wood-carriers and the director general of State Forests is planned for June.

This fact is probably related to inspections at forest inspectorates, planned to start on the 1st July due to claims that wood is not properly prepared for transport.

Photo by GITD

Photo by GITD

Photo by GITD

In the case of an inspection, traffic inspectors do not accept the drivers' explanation that it is not they who are responsible for overload, since load size declarations are filled in by forest inspectorates.

abide by traffic regulations

"Everything depends on the forest inspectorate. There are regions where everything is prepared according to traffic regulations. For instance in the regions of the Regional Directorate Szczecinek, Jastrowie, Złotowo and Lipce, wood is cut properly and arranged in selected places, so that the vehicle isn't forced to drive to and fro through the forest to collect single logs" - explains Zbigniew Śmiechowski.

The receiver, who pays the price ex forest, has a right to demand that the wood after skidding is prepared at one side of a track, arranged with butt ends at one side and in no more than three locations.

„You'd better come with us to the forest and I will show you this wood scattered throughout the forest. I'll show you that the vehicles are forced to drive into dead-end forest paths, where they cannot turn around or where they get stuck for hours in sand - says Śmiechowski. - The worst are the forest inspectorates of the Regional Directorate of State Forests in Toruń, especially in Brodnica and near Piła."

Currently, the company Trans-Wood has seven lumber vehicles and seven vehicles for international transport. It transports 140 thousand m2 of wood a year.

President Śmiechowski has his plans for the meeting in Toruń.

"As well as the wood preparation issue, especially concerning length and loading, we also want to discuss working time with the foresters. A driver should drive into the forest and get the wood loaded within 20 minutes, but, unfortunately, it doesn't seem to be that way.

In Germany you spend more time on the way to forest than on loading, because loading lasts 10 to 20 minutes and the vehicle leaves the forest. In Poland things are different. Going to the forest does not last long, but collecting wood in the forest may take several hours and forest tracks are in such a condition that vehicles get stuck in the forest, which means more loss of time while the tachometer is on.

A new forest vehicle costs 800 000 and we need proper working conditions for it to pay for itself.

The wood has to be prepared properly; with proper length and distribution in the forest vehicles don't get damaged on forest tracks."

4.9 BILLION EUR

was the total inflow of direct investments to Poland during the first five months 2007, as estimated by the National Bank of Poland (NBP.)

12.4%

was the unemployment rate in Poland at the end of June, 2007 - informed the Central Statistical Office (GUS.) The Ministry of Labour forecasts that the unemployment rate will drop to 12.2 % in July, below 12% in August, and below 10% at the end of 2007.

200,000

new enterprises have been established annually in recent years in Poland. However, one third of the new enterprises discontinue their activity after the first year – informs the Central Statistical Office (GUS)

2,775 PLN

was the average gross salary in the enterprise sector in the 1st half year 2007. It increased by 8.4% compared to the corresponding period in 2006.

60.50 PLN

is the price which Kronospan Holding is able to pay for one share of KPPD Szczecinek, as is evident from the call for shares announced by the Cyprus company. The earlier call which priced a share at 33.70 PLN was answered by an owner of only one share.

2 MILLION M^3

less of round timber will be offered for sale in the Polish market by the State Forests next year. Analysts do not predict that demand for timber will be lower, which may result in a considerable growth in timber prices.

They copied Wajnert furniture illegally

The company Meble WAJNERT general partnership of Międzybórz has won a case against ANTEX civil company from Mroczeń near Kępno. The trial concerned proprietary copyright and acts of unfair competition.

Designing, manufacturing and promoting a new model of furniture is a very extravagant undertaking. Every company in the furniture industry makes huge outlays and is aware of losses resulting from illegal copying of its products.

“We believe that such acts should be condemned by the whole industry and by taking this case to court we defended not only our own interests, but also those of all furniture companies” - says Wiesław Wajnert, the company’s president.

On the 5th July, 2007 the District Court in Kalisz established that the civil company ANTEX produced and introduced to trade an item of furniture called OSKAR II, which was an exact copy of furniture manufactured previously by the company Meble WAJNERT (WAJNERT Furniture) as ROWSAN. The ANTEX civil company was obliged by the ruling to cease the production of the disputed furniture, to publish an apology and to pay compensation. ROWSAN is a set of modern furniture with original patterns and it soon gained popularity. The market success of this set encouraged ANTEX to produce the OSKAR II furniture, which was identical to the original design of Meble WAJNERT. These activities led above all to financial loss, but they also affected the image of Meble WAJNERT.

“Therefore, we are even more satisfied with our success in court, which demonstrates that breaching copyright must not go unpunished” - says president Wajnert. - “We hope that this will send a clear signal to all dishonest manufacturers. I strongly believe that we can oppose such unfair practices together.”

(mari)

New norms concerning sawn timber

The Technical Committee is developing modifications of the norms concerning carpentry sawn timber and external and internal carpentry. The modified norms for cement chipboard and beaverboards are already in force.

Developments are underway concerning draft norms EN 14220 and 14221, concerning timber and timber-originating materials, used for the production of windows, door leaves and casings, and draft norm 14951, concerning wall linings made of solid timber. With regard to the introduction of these norms, it is also necessary to update provisions of the norm of 2002 for construction timber, especially as far as compliance evaluation is concerned. The working title of the norm EN 942:2007 is „Carpentry sawn timber - general requirements”, although the project is also called „Timber in construction carpentry - general requirements”.

Technical Committee no. 100 includes employees of the Wood Technology Institute, supervised by Józef Szczepaniak. The Committee will meet on the 11th June of this year to finally discuss the proposed modifications and to approve draft norms. Currently the discussions concern even such seemingly trivial issues as deciding a specific title for each norm.

(mari)

The market success of the set ROWSAN encouraged ANTEX civil company to produce furniture called OSKAR II, which was identical to the original design of Meble WAJNERT general partnership.

A monopoly for drawing up plans for forest management to be broken

The Constitutional Tribunal states that art. 21a sec. 1 point 4, of the Act of 28 September 1991 on forests, is conflicting with art. 20, art. 22 and art. 32 of the Constitution. The Forest Arrangement and Geodesy Office's monopoly for drawing up plans for forest management is going to be broken.

Private companies will also be allowed to prepare documents containing detailed descriptions of the forest and areas intended for afforesting, of the nature protection programme, of the quantity of wood to be logged, as well as of the hunting economy principles for the additional 7.5 million ha. On 26 March 2007, the petition by the Ombudsman concerning drawing up plans for forest management came up before the Constitutional Tribunal (CT). The judges ruled on the conformity of art. 21a sec. 1 point 4 of the Act of 28 September 1991 on forests, with art. 20, art. 22 and art. 32 of the Constitution. The issue was directed to the Tribunal because of the interference in the freedom of economic activity guaranteed in the Constitution. According to the Spokesman, Janusz Kochanowski PhD, the act eliminates all business entities, which are not subordinate to the Directorate General for the State Forests. Depriving the business entities, who have permits for conducting this type of activity, of the possibility to draw up such plans by the state administration is discriminatory. The issue is quite significant with regard to the forest surface in Poland, and the decision by CT gives access to wide opportunities to private initiative. The restrictions were introduced in order to obtain an appropriate level of the prepared forest arrangement plans: permissions for drawing up plans and their approval by the Minister were required. According to CT, since the forest arrangement planning process is administratively controlled, the Forest Arrangement and Geodesy Office's monopoly is not necessary in order to obtain the appropriate service level. The existing practice is unconstitutional since it violates the principle of proportionality in restricting economic activity. Moreover, the Tribunal stated that depriving the business entities, which meet particular conditions and may apply for permits for conducting activity connected with drawing up plans, of the access to the service market by the legislator is discriminatory.

It is another step on the way towards destroying the state interventionism and building healthy principles for a free market in Poland.

Wojciech Hermeliński, a judge of the Constitutional Tribunal, presided over the trial and Marek Mazurkiewicz, a judge from the Constitutional Tribunal, was the judge reporter. The ruling is final and its reasons the judgement is to be announced in the Journal of Laws. The ruling of the Constitutional Tribunal may be found under the case ref. no. K 29/06.

(tw)

Primary determining factor is access to raw material

Which industry in Poland will develop faster: production of sawn timber materials or wood based materials?

Prof. WŁODZIMIERZ ONIŚKO

The importance and role of wood, i.e. the basic recyclable material, will grow with the passage of time and depletion of fossil materials. The source of wood is the forest, whose production capacity is limited and increases very slowly. There is a prevailing opinion among potential wood consumers that the production role of the forest is underrated and pushed to the background in Poland. In spite of that, it is doubtful whether a clear limit to forest harvesting, which cannot be exceeded, does exist.

Sawn materials are received from large round timber, whose amount is strictly limited. Over 12 million m3 of sawn timber is logged annually in Poland and that amount cannot increase significantly from year to year as a result of the actual age structure of tree stands in Polish forests. We can presume that the possibilities concerning that issue have been thoroughly reviewed by foresters so we can only discuss the size of the forest usable area.

So development of the sawn timber industry is strictly determined by the existing timber base, which undoubtedly will be very moderately increased.

A wood demand of 34 million m3 (including 0.4 million m3 for fuel at Połaniec) for 2005 was estimated at the conference in Łagów (2004), while the State Forests were able to supply 28 million m3.

The situation is different in the wood based panel industry where the primary material is small size timber and timber waste.

Material productivity in the sawn timber industry is around 60%. The production of pallets and garden architecture products is similar. The plywood industry has even lower productivity of 50-55%. Those industries and others where wood is processed supply the wood based panel industry with wood waste such as edgings, chips, shavings, sawdust etc. Forests supply pulpwood, branches and small pieces of wood, and wood edgings. Consumption of that material and material for plywood (around 0.5 million m3) amounted to over 9.2 million m3 in 2006, and it must be stressed that those supply resources are close to the limits of their potential.

The growing demand for wood waste such as sawdust and chips resulted in an almost 20-fold increase in prices in 2005 – 2006.

Unfortunately, some wastes are combusted, and at this point it should be stressed that it is a waste of a precious raw material which could be processed for boards and serve as a long term storage of carbon dioxide.

The use of recycled wood could result in a significant decrease of raw material in the wood based panel industry. That base in Poland is estimated at 3 million m3 annually by ITD (Wood Technology Institute) in Poznań, and in comparison to other countries that material is not used at all. In order change the situation, a whole system is needed of collection, segregation, sorting and processing of that material which may only be partly used by the wood based panel industry for obvious reasons.

Cereal straw is another material that can be used as there is huge surplus of it in Poland. Another view concerns the import of wood edgings from America; some European countries have already started to import this material. Finally, another way of making wood shortage less painful is to reduce the consumption of wood in the production of board products. There are two methods to achieve this.

The first method is the introduction of WPC (wood-plastic composites) to the furniture industry. The other method is the production and use of light boards. It is a direction which is at the beginning of rapid development. In 2006, the first frameless porous board production line was started in Austria, with a capacity of 1,000 m3 boards per day. The line was equipped with a specially designed Siempelkamp press line. The density (less than 150 kg/m3) of boards produced on that line shows how much wood is saved. Another production method of light chipboards is gluing with an adhesive giving a foamed joint which gives a loose arrangement of chips and density of around 390 kg/m3.

A wood deficit will force rational use of material with properties which perfectly match the loads and requirements of the user. Therefore, the wood based panel industry should focus on the production of boards dedicated to specific use.

The projects mentioned above should ensure a faster growth of the wood based panel board industry than the sawn timber industry.

The finish of furniture, floor, wall and door panels, made of wood-based panels is so advanced today that not only an average customer but also a wood specialist is not able to judge at first sight if he is looking at solid wood or a wood based panel. And they are two totally different materials. Wood structure is the same both on the surface and inside, while the appearance of a wood based panel depends on the quality of an external thin layer of printed paper saturated with synthetic resin. The interior of the board consists of chips or fibres chaotically grained and glued together. There are empty spaces in the cell boards.

Furniture production on a mass scale is based today primarily on board materials, and it could not develop without those materials.

The Polish furniture industry consumes around 95% of chipboards, almost the entire quantity of MDF boards, the major quantity of hard fibre boards manufactured using the wet method and around 23% of plywood produced in Poland.

Thanks to the large quantity of boards produced nationally, Poland is ranked the 4th largest furniture exporter in the world (after China, Italy and Germany.) The share of furniture export amounted to 16% of the export of industrial goods in 2005 and brought a positive result of 14 billion PLN. Those figures are really worth emphasizing, because Polish foreign trade exchange features advantage of import over export.

Good prospects for further development of the furniture industry result from the possibility of expanding to the huge eastern market, mainly Russian, which is used only to a minimum, and the possibility of expanding the national market. The average Pole spends around 21 EUR/year on furniture, while a person from Western Europe spends over 200 EUR/year on it.

At this point it should be stressed that the main component of furniture boards is not solid wood but small size round timber and various wood wastes.

So, if the furniture industry develops, and it should, the wood based panel industry should also develop. The main obstacle to that development will be a wood deficit, which we are already experiencing today.

WILL THERE BE ENOUGH TIMBER FOR POLISH COMPANIES IN THE FUTURE?

Zbigniew Gurgul, the State Forests

Polish companies do not have to fear a timber shortage in Poland. I believe that Stora Enso is a company with an ability to review data concerning a country which, in their opinion, has huge timber resources. The amount of timber that can be supplied from a forest results from the amount able to be harvested with any harm to the environment. In spite of that, we harvest more and more. However, the needs of the wood industry are much larger than the supply available from Polish forests. Order must be maintained in a forest and this is why a 10-year plan is needed. The minister approves those plans but in spite of that, we cut as it suits us.

Reserves still exist, so we will be able to log even more timber, but we cannot keep up with the needs of the wood industry.

The current principles of timber sales have been developed and proved suitable both in good and bad market situations. We made every effort to distribute everything that there is to distribute in the fairest way, to make it possible for both small and large companies to buy timber.

CAN A PROBLEM OF A SHORTAGE OF QUALIFIED WORKERS OCCUR IN THE FUTURE?

Professor Jerzy Smardzewski, Agricultural University in Poznań

Although there have been enough vocational schools educating future workers of wood processing plants up to now, there is a dramatically small number of secondary technical schools. Nevertheless, we have to achieve such a distribution of skills among schools so that a graduate of a secondary technical school knows at least something, not only about wood processing but also about IT systems and machine control. Secondary schools must take a large step forward.

IS IT BETTER TO COLLABORATE OR RATHER BUILD ONE'S OWN BRAND?

Haakan Person, senior advisor Ikea

The furniture sector in Poland should be consolidated, because we observe that there are too many small firms trying to work on their own. Therefore, it is worthwhile entering into collaboration with a large corporation such as Ikea, because in such a situation, dependence is mutual. Ikea needs many specialised suppliers of specific products, and those suppliers may in exchange rely on our support and be sure that they will sell their products, because it is we who pay for the costs of the distribution network's development. Certainly, in the course of time, a partnering company starts to develop so quickly that it looks for its own niche and certain independence in respect of distribution, by developing its own furniture distribution chain. Such phenomena are also observed in Poland. However, those companies do not break ties with us, but rather develop the other branch of their activity in a parallel.

ARE FOREIGN INVESTORS IN THE WOOD INDUSTRY, AN OPPORTUNITY, OR A THREAT FOR POLISH COMPANIES?

Adam Żołnowski, PricewaterhouseCoopers

Foreign companies are not a threat, but an opportunity for Polish companies. They bring state of the art technologies, expertise, corporate culture and an export base. Threats do exist because foreign investors are market oriented and care for cost effectiveness. If a company is not able to rival that competition, it will be eliminated from the market. Another threat is that when an investor considers only costs and benefits it may withdraw from Poland and transfer production to less expensive countries.

However, it is worthwhile joining a corporation network, to learn as much as possible from them. When a company feels strong enough, it is good for it to find its niche in the market and build its own brand.

CAN RUSSIA BE AN ALTERNATIVE TIMBER SUPPLIER FOR POLAND?

Robert Barnden, PricewaterhouseCoopers

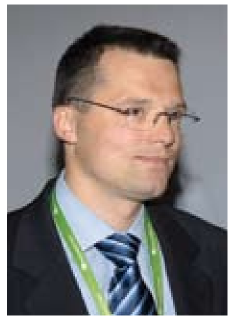
By 2010, the legal situation in Russia as a timber supplier may totally change so we have to look at timber supplies from a new perspective. The export customs duty may reach even 50 EUR per cubic metre during the next few years. The thing is, timber should stay in Russia and saw mills and wood processing plants should be built there. It is an understandable policy. A similar situation can be observed throughout Europe. So, where should we look for timber? Certainly not in Europe because European countries are depleted of wood. Poles cannot imagine that Sweden or Finland, which are abundant in timber, will be suppliers for them, because companies in those countries are also looking for suppliers. Sweden imported 10 million cubic metres, and now imports as much as 100 million m3. European countries cannot sit down and look at each other, but should consider from where they should import timber. The areas that Europe thinks are rich in timber include Canada and it is worthwhile considering collaborating with that country.

WHAT WILL THE CURRENCY EXCHANGE RATE FOR THE POLISH ZLOTY LOOK LIKE IN THE COMING YEARS COMPARED TO THE EUR?

Dr. Wojciech Grabowski, the Institute for Market Economics

All countries that accessed the Eurozone observed the strengthening of their currencies, so it should not be expected that the Polish zloty would considerably weaken during the next five years. The forecasts of currency exchange rates are not reliable in a short-term perspective because they depend on many factors. The voting results however, show that we underrate benefits resulting from access to the Eurozone. When we are in the Eurozone, which may happen in five years, our exporters will also have to review exchange rate fluctuations, but this time we will look at the fluctuations of the Euro vs. the American dollar.

IS ACCESS TO THE STOCK EXCHANGE A GOOD WAY TO RAISE FUNDS BY SMALL AND MEDIUM WOOD ENTERPRISES?



Tomasz Kucharski, Stelmet

Neither small nor medium, but well prepared, solid and consistent. The most important thing when entering the stock exchange is to define the goal for which we want to raise funds. The stock exchange is an alternative to taking out further loans. It also requires a company to reveal all information about itself before investors, to convince them that it is worthwhile investing. It is obviously costly: reports and audits. The costs are so high that small enterprises may not be able to afford it. Yet still there are organisational costs, because the company's organisational structure has to be changed. The costs of entering the stock exchange are about 2-5% of the funds that can be raised from investors.

WHICH WOOD-RELATED SECTOR SHOULD BE PRIVILEGED AS FAR AS ACCESS TO THE DEFICIT RAW MATERIAL IS CONCERNED?

Antoni Tymiński, PricewaterhouseCoopers

The basic problem in Poland is the shortage of timber. There are sectors that compete with each other in the market; they include manufacturers of furniture, paper, and power. Which of them is more important? If power plants are encouraged to combust timber, because they will pay less for environmental pollution, then it will be easier for the State Forests to sell 2 million m3 of timber to those power plants. Meanwhile, there are voices audible globally saying that promotion of "green energy" in such a hypocritical way should be discontinued. It is also said that paper manufacturers should not use so much wood, but rather use recycled paper. The remaining industry is furniture, but there are also solutions available for effective consumption of wood in that industry.

A certain large manufacturer of self-assembly furniture uses styrene for making furniture frames instead of wood. Maybe it is the right solution. Alternatively, maybe other solutions should be looked for.

INTERVIEW

Poland has much more wood than everyone estimates

Pfleiderer Grajewo expects that by 2010, thanks to new investments, the company's profit will have risen to PLN 300 000 million, and the revenue on sales up to PLN 2.5 billion. Unfortunately, this will not be in Poland any more. The reason? "Wood shortage." says Paweł Wyrzykowski. in the interview for Market in Poland.

MAŁGORZATA WNOROWSKA

MARKET IN POLAND: Pfleiderer Grajewo is planning to carry out three new investments in the coming years on a scale similar to the investment in the MDF board manufacturing plant in Grajewo which is to cost up to EUR 83 million, and to the manufacturing plant in Russia which cost EUR 90 million. Why won't you develop the production in Poland?

Paweł Wyrzykowski: For the obvious reason, namely, wood shortage in Poland. I think that if it were not for this obstacle, we would plan the construction of another plant in Poland. The lack of wood in our industry is a condition sufficient to discourage a company from developing. We are also anxious about the future with regard to the predictability of the situation on the wood raw material market in Poland. In the present situation it is not easy to talk about further investments in our country.

MARKET IN POLAND: One of the three new projects planned is the development of the MDF board and floor panel manufacturing plant in Russia, which is to cosume 120-170 million euros. Is Russia a more predictable partner?

P.W.: It seems that yes. In general, the situation regarding wood purchasing is more predictable on other eastern markets (in geographical terms, to Pfleiderer Poland is also a country of Eastern Europe – editor's note). You can reach an agreement with the governments or suppliers in those countries and obtain assurance for long-term deliveries. For this reason, we want to consider subsequent projects in Russia and enter the Russian markets with our own production.

MARKET IN POLAND: Pfleiderer is not going to develop further in Poland due to the shortage of wood raw material in our country. How is this possible if as much as one third of Poland's surface area is covered up by forests?

P.W.: It seems strange to me as well. I think that in Poland there is a lot more wood than everyone estimates. The doubts could probably be cleared with a comprehensive and transparent inventorying of wood resources involving the representatives of the wood industry who is the industry financing the entire forest economy in Poland. Moreover, another problem is also the wood sales system. The new sales system has been introduced without thorough consultation with the industry.

MARKET IN POLAND: The new rules for wood sales have only been functioning for a few months. You must already have a certain opinion about the system?

P.W.: An important advantage of the system is that for the first time the State Forests have made their offer publicly known. We appreciate it. However, the new system has a flaw which makes it impossible to predict what will happen in the long run. Relying on what we have at the moment, we may only be sure of what will happen by the end of the year. These conditions are very difficult for a large and capital-intensive industry. And I don't mean new investments and the calculation of their profitability where the unknown for the wood supply is a large risk. What I have in mind is rather the operational activity where it is difficult to enter into contracts for a period longer than one year with the recipients. And we have such customers who expect us to sign and guarantee a given number of goods deliveries on predictable commercial terms and even for a period of five years. The stability of the commercial offer by our Polish furniture manufacturers is one of the key factor for their competitiveness on the demanding Western European markets. The stability and predictability of deliveries is of great importance to us. We have been building a complex system of wood raw material acceptance for years. The changes introduced every year and the uncertainty on the part of our very important wood supplier, affect not only our competitiveness but also the competitiveness of the entire Polish furniture industry.

MARKET IN POLAND: Do you see other advantages of the system?

P.W.: In its model assumptions the system seems correct and interesting in certain areas, e.g. IT tools support and criteria other than the price. Nevertheless, in connection with such a serious and specific issue as our wood industry market is, the system may form a significant limitation. At present, I cannot see any of those advantages that the new wood sales system was supposed to have. Most of all, there is none of the announced full transparency. We do not understand the principles on the basis of which our major competitor gets much more wood than we do. Let us take the e-drewno tender procedures as an example. There are thousands of tenders all around the country taking place only within a single quarter. We are not sure whether to take part in them only to go through large amounts of administrative procedures and documents and end up buying 200 – 300 m3 of wood.

MARKET IN POLAND: Pfleiderer Grajewo cannot see any development opportunities in Poland, and powers such as Swedwood and Stora Enso are investing in new plants. It seens that there is wood for them.

P.W.: The principles for guaranteeing supplies to certain entities are not clear to us. Admittedly, we are one of the last beneficiaries who have been given assurance of wood supplies for the new plant in Grajewo, although the assurance does not fully cover the total needs of the plant. As far as I know, the plant in Wielbark and the MDF plant in Grajewo received two of the last assurances for wood supplies that the State Forests issued before the introduction of the new rules for wood sales in January. Negotiations with Stora Enso were held more or less at the same time. Now, when the wood sales system has undergone a computer revolution, I don't think that any serious investor would regard new investments as realistic. And I don't mean the investments which modernise the machine park, especially in the sawmill industry.

"We want to consider subsequent projects in Russia and enter the Russian markets with own production," says Paweł Wyrzykowski.

MARKET IN POLAND: If there is wood shortage in Poland, wouldn't it be better to import it from abroad, from the East for example?

P.W.: Definitely, importing from certain countries is an interesting alternative, especially for companies which consume less wood. For the large wood based board industry, importing may only add to the wood balance and does not constitute a long-term security for new, important investments or large delivery contracts.

Besides, the import of low value wood assortments, as are mainly used by our industry, is not particularly profitable because of the high relative logistics costs.

MARKET IN POLAND: And the announced increase in the furniture import duty in Russia, isn't it an issue for you? After all, you sell your boards to Polish furniture manufacturers.

P.W.: Correct, but we have assumed that the furniture industry will develop significantly in Russia itself. Therefore, we want Russia to achieve large production capacity soon, so that we can sell the board from our Russian plant to the local manufacturing plants. Obviously, this scenario is advantageous to us and not to the Polish furniture manufacturers, because it may result in a drop in the Eastern demand for Polish furniture. As far as I know, Russia is not an important recipient of Polish furniture any more.

MARKET IN POLAND: Does this mean that Pfleiderer is going to withdraw from the Polish market to a certain extent?

P.W.: We are going to stop the pace of our development in Poland a little. In our industry, it is impossible to do business without wood.

MARKET IN POLAND: Thank you for the interview.

The most frequently mentioned obstacles occurring at present in the operation of wood processing plants, which hinder their development are the periodical shortage of wood material, the lack of capital and problems resulting from the situation on the job market.

Ewa Ratajczak, PhD, Associate Professor,
Wood Technology Institute in Poznań:

Although Poland has a relatively high woodiness and is abundant in wood resources, in a period of good market conditions, which has been the case for several years now, the wood market is exposed to a wood shortage. In theory and practice there are at least three ways of increasing wood supply: firstly, through larger logging, secondly through import, and thirdly through the rationalization of wood management.

Foresters and wood specialists have had different opinions on the possibility of increasing logging volumes. According to foresters who have to comply with the principle of sustainable development, the Polish Forests harvest the maximum amount of timber possible. As we have the objective conditions of restrictions of timber harvesting, it is essential to have an efficient system of timber sales. In spite of the fact that the existing system has been improved, wood companies recognised this system as unsatisfactory, and sometimes even threatening for the development of the wood industry, particularly for some sawmills. The expectations of wood companies are unequivocal: the timber sales system should be stable enough to be a reliable and permanent base to establish long term business strategies.

On the other hand, import of such specific goods as timber may be treated only as a partial solution to the shortage problem because it generates additional costs, related among other things, with the currency exchange rate risk and transport. Additionally, foreign timber markets have featured strong competitors for many years, particularly Scandinavian companies, so this is not an easy or favourable source for Polish companies.

The area which influences timber supply indirectly and on a long term basis is the rational use and saving of timber. In this respect, greater attention should be paid to the implementation of wood processing technologies which extend product life cycles, i.e. their durability (e.g. through wood maintenance and protection,) and highly effective and wasteless technologies. An important direction is to increase solid wood substitution by wood based materials and to develop new products (e.g. engineered wood.) It would also be good to consider the use of recycled wood, a totally underrated issue in Poland. A large role in searching for and suggesting new solutions should be played by scientists and researchers.

Import of such specific goods as timber may be treated only as a partial solution to the shortage problem because it generates additional costs, related among other things, with the currency exchange rate risk and transport

Manufacturers, and particularly owners of small enterprises, are sceptical about the possibility of rasing funds to overcome the obstacle to development of capital shortage. The stock exchange is recognized as a rather difficult path to overcome the capital barrier (although it elevates a company to a higher level of management), while applying for EU funds is associated with many formal requirements. Practically speaking, there are no development support mechanisms for the so-called micro-enterprises.

As far as human resources are concerned, wood processing plants more and more frequently face difficulties in finding highly qualified staff. In spite of mechanization and automation, the wood processing industry is still highly "dependant" on appropriately skilled and experienced staff. Poland's accession to the EU resulted in an outflow of a major portion of potential staff, which overlaps with the phenomenon of the ageing of Polish society. The result is that this situation has a negative impact on the development of Polish companies. In order to improve the situation systemized solutions are required, especially those which will introduce a system of incentives. They should include both economic incentives (salaries, support for young staff,) and non-economic (e.g. flats, training, giving opportunities for success, personal development.) However, we should be aware that it causes further problems, because an increase in salaries means larger costs, leading to growth in inflation. In this group of problems a question occurs of the need for changes in various levels of the education system (e.g. vocational and higher education), to make it sufficient for the requirements of a modern wood processing and furniture industry. An improved education system should at the same time include a possibility of the systemized updating and supplementing of knowledge matching new technological trends and standards of company management, and the use of new educational forms like e-learning.

With all this in mind, a question is raised about the prospects of the wood processing and furniture industry in the near future. Generally, in spite of many difficulties, positive development of this sector should be expected, and export will still decisive, even if the national market has a larger and larger impact on the situation. In the case of export, the promising markets for Polish wooden products will be EU countries, and other European countries, but also larger diversification of markets should take place. A relatively larger role will be also played by Asian markets, and even by such a remote market as Australia. The strong ties with foreign markets characteristic of the Polish wood industry result are connected with the problem of currency exchange rate risks. From that point of view, and also taking into consideration the positive image of Poland as a country with a stable economy, i.e. an attractive trading partner, it will be advantageous for Poland to access the Eurozone.

On the other hand, the national market expects a growth in demand as a result of a relatively good condition of the furniture market and a better situation in the construction industry. The benefits from concentration on the national market, where an increase in the population's purchasing power is expected which will contribute to an increase in demand, include among others, no problem of currency exchange rate differences, higher profitability and even lower production costs. EURO 2012 may also be a particular stimulus to development.

The presence of Polish manufacturers and their products in foreign markets, and the presence of numerous foreign investors in Poland is proof of good managerial skills and openness to new challenges and developments. In the near future, important elements of the strategies of wood processing companies, and particularly those belonging to the SME sector, should be searching for market niches, the creation of business networks and following good business practices. The good competitive position of Polish companies in international markets depends on the activities mentioned above. However, the priority condition is innovation and quality.

I have an impression that the furniture industry in Poland is underrated

Mr. Dariusz Antoniak, president of the management board of the Meblomak Company in Rumia

Mr. Dariusz Antoniak, president of the management board of the Meblomak Company in Rumia:

The market situation has become favourable for the furniture industry after several "lean years". Not so long ago, the main problem was to win orders for furniture. At the present, the portfolios of orders are full. At the same time, larger supplies of raw materials are required. This situation raises problems with timber supplies and labour force in spite of increasing labour output.

Each enterprise in Poland operates in changing conditions. The basic conclusion resulting from that fact is ability to respond quickly to those changes. This is all that is needed to make an enterprise able to develop and exist on the market. The changing conditions is, for instance, the unstable law including amendments of tax regulations, unstable regulations for protected labour enterprises (Meblomak has the status of a protected labour enterprise,) and administrative restrictions on the opening of large area outlets, where a furniture showroom, which requires a large exhibition area undergoes the statutory definition of a trading "giant."

A decisive significance for the conducting of a business activity has had so far administrative factors (specified above,) and market factors (competitors, for instance), but now the following social factors have become important and require an appropriate response of companies: mass labour migration abroad, and the consequences of the education reform at the post-primary level. For instance, it is visible how dramatically the number of graduates has dropped at one of the Timber Industry and Forest School Complexes in the last few years. The final exam at secondary school is easier than at any time in the past and wakes up ambitions in young people who do not see themselves working as "blue collars," but want to be only "white collars."

I have an impression that the furniture industry is underrated. With our contemporary fascination with new technologies, "the old economy" which is sometimes less painfully called "traditional", is not appreciated by decision makers. It develops on its own, even against difficulties, without state protectionism or even promotion. So, if the opinion making environments do not perceive the furniture industry positively, how can we speak about a positive wider social perception. Who knows that Poland should be proud of its furniture makers, and that we are the leading global player in that game? Who would like to join the winners? No one is eager to join.

The ethos of our profession does not exist at all. The fact that a person is employed in the industry does not bring any esteem in the family or among friends of an employee. Even we, professional colleagues, have problems with defining our professional identity. How could we say "there are one hundred thousands of us, workers in the furniture industry?" We are called cabinet makers, upholsterers, sawmill workers, seamstresses, wood technologists... the nomenclature of contemporary professions there is no term, which would allow to unite us in one strong force (lobby)? The situation is so much easier for miners, shipyard workers, road workers, and power industry workers.

In my opinion, the circumstances described shape differently supply and demand on the labour market. A furniture manufacturer will complain about the lack of professionals, but at the same time there is high employment in that professional group. As far as the lack of labour force is concerned, the furniture industry is rated 3rd on the labour market, with a 44% deficit. The best professionals just went abroad or are employed somewhere, whereas qualifications and habits of the remaining ones are not adjusted to today's requirements and nobody wants to employ them. Today, we deal with the so-called employee market, which first of all means a wide possibility of the selection of job offers by a candidate. It is the potential employee who dictates conditions, and who is the master of the situation.

What steps should be taken in that difficult situation to find trustworthy employees?

First of all, we should conduct an employment policy adjusted to the current conditions on the market. We should broaden the area where we look for candidates. In the past, it was enough to publish job advertisements in the regional press. At present, we should publish them in the national press, and in the offer we should add an allowance to cover accommodation costs for the candidates from beyond our region. Another thing is to reduce the level of required qualifications as the initial conditions for employment. In the past, we looked for specialists with the relevant profile of education and a long term practice, but today we first of all should pay attention to the candidate's "will to work." We should include in our costs in advance a long term (and a very costly) period of training to make our candidates prepared for work.

Changing qualifications of our candidates to work in the specialization field we need is performed by the so-called "hands-on the job" practice. In order to prepare our company for such activity we had to select five workers with a long term experience and an appropriate intellectual potential (graduates of secondary technical schools or engineers), and sent them for a six week course for instructors. The training course took place in the form of e-learning. Knowledge was transferred from Wronki near Wrocław to Rumia near Gdynia. The participants had to pass an examination in Warsaw to complete the course. Half a year passed; during that time Meblomak employed 12 persons who were not educated in the specialized fields we needed i.e.: cabinetmaker, upholsterer and seamstress, and we prepared them for work in the framework of "the practical learning of profession" programme.

Moreover, we conduct supplementing activities, timing at the strengthening of our production capacity. As a result of difficulties with finding new workers we have been working on increasing work efficiency. We improve our equipment; for instance we installed a numerical control machining centre at the joiner's shop and started industrial works for automatic leather and fabric cutting. EU funds made those investments much easier.

We established a possibility of improving professional skills for our employees by the company's "scholarship programme", i.e. we cover the costs of training, courses, post-diploma studies etc. The participation in the programme of refunding educational expenses makes our employees bound with our company for at least three years.

As you can see, all activities described above are successfully contained in the category: "Entrepreneur, do it yourself."

If we were to say three wishes which would heal the situation in our industry, we would wish ourselves and the other businesspersons as follows:

- that the importance of vocational schools is regained, as the breeding ground for specialized human resources for the furniture industry;

- that the furniture industry is more appreciated by the government decision makers as one of the leading branches of economy. For instance, they could create a national promotion programme for the sake of furniture export, similar to the "Polish plumber" project".

- that labour costs other than wages are reduced, which has been called for years.

How could we say "there are one hundred thousands of us, workers in the furniture industry?" We are called cabinet makers, upholsterers, sawmill workers, seamstresses, wood technologists...

Small adds

Polish company will likely start a cooperation with Spanish purchasers of oak and alder strips, that can be used for production of furniture, floor boards and parquet.
Tel./Fax +48 29 761 37 30, Mobile +48 604 676 452
E-mail: jadwiga35@o2.pl

There is a place for your small adds...
Contact our advertising section:
juwa@drewno.net

PALES PRODUCER
mobile +48 601 497 478
fax +48 18 268 89 35
e-mail: drew_bud@poczta.onet.pl

Наладим сотрудничество с поставщиком свежосрубленного – сырого пиломатериала из дуба и ольхи на Украине. Класса 1 и 2.
Тел./факс: +48 29 761 37 30
Моб. тел. +48 513 101 556, +48 604 676 452

WOODPOL
Production of hard wood
e-mail: woodpol@tlen.pl
tel./fax + **48 84 611 40 81**

ZAKŁAD TARTACZNY GONTARZ
Sawn timber for joinery & construction, pallets, wooden containers, softwood & hardwood lumber
phone: +48 601 348 423
phone/fax: +48 84 660 74 63

THE PRODUCER OF GARDEN PROGRAM
tel./fax +48 62 78 443 10
mobile +48 601 288 521
juka54@interia.pl

SOLID WOOD FURNITURE
BOGUSŁAW MIESIARCZYK
tel. +48 18 264 25 91
e-mail: bobii007@o2.pl

Furniture manufacture PAMAR
Marczyk Paweł tel. +48 018 442 95 70

www.s-rozanski.miracle.pl
BOTTOMS & BACKS OF CHAIRS PALLETS
tel. +48 43 871 42 19
mobile +48 601 98 07 66
slawek@s-rozanski.com

ATB
www.banasiak.pl
atb@banasiak.pl
MANUFACTURE CHILDREN FURNITURE
tel.: +48 43 676 69 77
mobile: +48 609 731 975

DAK HOLZ
FOREIGN TRADE OFFICE
UL. WARSZAWSKA 109
05-092 ŁOMIANKI-PL
Tel. +48 22 751 02 10
Tel. +48 22 751 09 96
Fax +48 22 751 96 72
e-mail: info@dakholz.com.pl
www.dakholz.com.pl
Timber & passion
Export of wood products to European markets

Pol-Kres EdWOOD
...is looking for the new customers for fingerjointed oak glued panels. Worktops, windowsills, furniture components, etc.
Dimensions: 18–20 mm, 27–30 mm, 38/40 mm
Qualities: AB/AC/BB/BC
www.edwood.pl, daniel@edwood.pl
Tel: +48 83 342 36 06, Fax: +48 83 342 46 66
Mobile: +48 603 655 620

Dom Drewna
PL 95-080 Tuszyn, Al. Jana Pawła II 11
tel./fax: + 48 42 614 22 99, mobile: + 48 605 742 055
dom.drewna@neostrada.pl
www.domdrewna.pl
WOODWORKING MACHINERY - SALE
СТАНКИ ДО ДЕРЕВА - НА ПРОДАЖ

TARTAK BANDYK
CONSTRUCTION SAWN TIMBER
tel. + 48 18 262 21 98
fax + 48 18 262 22 01

kempa@hot.pl
The Producer of
PELLETS & BRIQUETTE
phone: +48 43 842 33 48
mobile: +48 695 643 888

THERMOWOOD
www.thermo-drewno.pl

business card

ZM Jabłoński

Marek Jabłoński
President

PL 05-300 Mińsk Mazowiecki
ul. Gen. K. Sosnkowskiego 85
phone. +48 25 759 32 32
fax. +48 25 759 35 00
e-mail: marek@zmj.pl

GAMET S. A.

PL 87-100 Toruń
ul. Kociewska 22
tel. +48 56 611 00 00
fax +48 56 611 00 01
e-mail: gamet@gamet.eu
www.GAMET.eu

Międzynarodowe Targi
Poznańskie sp. z o.o

Tomasz Kobierski
V-ce President of The Board of Directors

ul. Głogowska 14
PL 60-734 Poznań
phone +48 61 869 20 00
e-mail: tomasz.kobierski@mtp.pl
www.mtp.pl

W-IREX
Wiesław Ciura
president

PL 98-358 Kiełczygłów
tel./fax +48 43 842 57 77
tel. +48 842 59 56
mobile +48 605 310 444
e-mail: biuro@wirex.pl
www.wirex.pl

Międzynarodowe Targi
Poznańskie sp. z o.o

Miłosz Matelski
Project Manager DREMA, FURNICA

ul. Głogowska 14
PL 60-734 Poznań
phone +48 61 869 25 89
e-mail: milosz.matelski@mtp.pl
www.mtp.pl

The Polish Chamber of Commerce of Furniture Manufacturers

Marek Adamowicz
Chief Executive

Al. Stanów Zjednoczonych 51, room 614
PL-04-028 Warszawa
phone +48 22 517 78 39
fax +48 22 517 77 19
oigpm@oigpm.org.pl

The Polish Economic Chamber of Wood Industry
Bogdan Czemko
Managing Director

ul. Winiarska 1
PL 60-654 Poznań
phone +48 61 822 47 52
fax +48 61 849 24 68
e-mail: pigpd@drewno.pl

Association of Manufacturers of Woodworking Machinery, Devices and Tools

Andrzej Półrolniczak
President

al. Niepodległości 34, 63-200 Jarocin
phone. +48 62 747 31 61
fax. +48 62 747 34 54
e-mail: droma@droma.com.pl

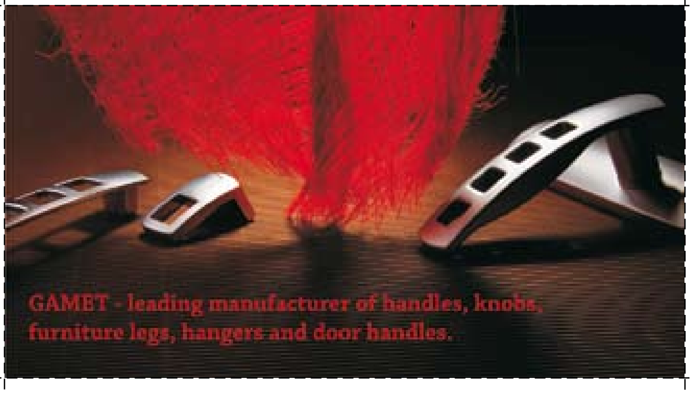
The Wood Based Panels Producers Association of Poland
Maria Antoni Hikiert M. Sc. Eng.
Secretary of Association

PL 83-232 Czarna Woda
Ul. A. Mickiewicza 10a
Phone: +48 58 587 92 16
Fax +48 58 587 87 16
e-mail: maria.hikiert@obrppd.com.pl

Wydawnictwo Inwestor

Zbigniew Owsiak
president of the board

ul. 30 Stycznia 42
PL-83-110 Tczew
phone +48 58 531 27 53
fax +48 58 531 71 77
zbigniew.owsiak@drewno.net



- Ecological wooden houses:
  • garden shed
  • summerhouses
  • houses for year round

- Band saws
- Service & consulting

POLISH FURNITURE

The mission of the Polish Chamber of Commerce of Furniture Manufacturers is the integration of the Polish furniture trade in order to effective participation in the formation of the development of the Polish furniture trade, active promotion of the Polish furniture in the country and abroad, and supporting of endeavours to warrant consumers full satisfaction of the buying and using of the Polish furniture trade.

PROVEN QUALITY

Machines and devices produced by members supporting the DROMA Association can be divided into a few groups depending on their technological applications. Thanks to joint activities of the members, Polish producers associated in DROMA can also offer design services and supply of fully-equipped woodworking plants.

The potential of the associated enterprises represents the production of about 50% of the sawn wood produced in Poland and a great deal of it is subject to further treatment by drying, planing, impregnating and working into semi - finished products.

Gazeta przemysłu Drzewnego
MEBLARSTWO
PISMO DLA PRODUCENTÓW I ODBIORCÓW MEBLI
Market in Poland
forestry·wood·furniture
@drewno.net

The Wood Based Panels Producers Association of Poland has, among others, the following aims:

• work on achieving European standard of products
• launching cooperation with international industry organizations and associations
• improving qualifications of members of the Association and employees of all specialties following development trends in terms of enriching the export offer
• preparing analysis and information on the level of prices and directions of development for panel products

COOL!
FURNITURE EDGES OF ALL TYPES AND COLOURS
FORGET YOUR WORRIES ABOUT LOOKING FOR EDGES AND DIVE INTO THE WIDEST RANGE OF FURNITURE EDGES ON THE EUROPEAN MARKET.
HRANIPEX
EDGES FOR YOUR FURNITURE
HRANIPEX SPOLKA Z O. O.
JAWORZYNSKA 265, 59-220 LEGNICA
TEL.: (76) 850 65 00 FAX: (76) 855 02 97
E-MAIL: HRANIPEX@HRANIPEX.PL, WWW.HRANIPEX.COM


Paged
SKLEJKA S.A.
MORĄG
Paged
PAGED SKLEJKA S.A.
14-300 MORĄG
ul. Mazurska 1
tel. +48 89 757 28 11
e-mail: sklejka@pagedsklejka.pl
PAGED SKLEJKA S.A.
ONE OF THE BIGGEST PRODUCER
AND DISTRIBUTOR OF NATURAL
VENEERS AND VENEER FORMS
ON THE MARKET
www.pagedsklejka.pl
LOOK FOR TRADEMARK
Paged ply