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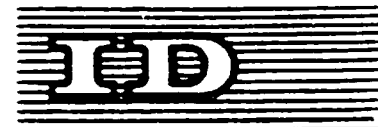
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Outlook on the Wood Industries  
of Ecuador<sup>1/</sup>

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<sup>1/</sup> The views expressed in this paper are those of the author and do not necessarily reflect the views of the secretariat of UNIDO. This document has been reproduced without formal editing.

Lately the woodworking industry in Ecuador has entered a period of development and progress. Due to the oil production of Ecuador in the last ten years its economical situation has gone up sensibly, therefore construction has become the big thing and the wood industry has found a large market that was not there before. Rapidly the industry of wood has become a powerful field and its factories have enlarged and are in the need of any type of technological help they might get.

The largest wood companies in Ecuador at the moment are the Plywood companies (there are six of them), a furniture factory (Arte Práctico) and a chip board production factory that recently started production (Aglomerados ACOPLAC). The products they bring to the market are of good quality and their main sales are in the exterior market.

Middle-sized factories are developing in a fast way, so are the small industries. And, of course, growth carries within itself problems. Let us analyze in the following paragraphs some of the problems Ecuatorian small industries face at the moment.

The lack of qualified workers is a big problem for the industry in Ecuador. At the moment we have an organization called SECAP an Ecuatorian institution which is trying to train people to bring them to a technician level, but so far its work has not been felt inside the actual industry work.

We also face the problem of not having the proper technology in the processing of wood, its treatment, drying, etc. In other words technological help is needed desperately. Wood is being brought, from the forest, cut in 30 x 240 x 5 cm and 30 x 240 x 2.5 cm pieces generally. It comes completely green (maximum humidity content), so we face the problem of drying it properly; something that is not always possible in Ecuador because of the high cost of kilns, and not having perfectly dried wood, the quality of the wood products cannot be ensured. In most cases the only treatment the wood gets is a few months of natural drying outside stocked up in piles; but, of course, it is not enough treatment to get the wood to the proper humidity content for wood furniture making. Also a proper study of our woods is needed and the ways they should be treated in the drying process must be established to get the best out of our woods.

Another point that we feel needs to be faced immediately is the exploitation of forests. It is being done in a completely disorganized way and in large amounts, and no forestation and reforestation programmes are being applied.

We feel the Government of Ecuador should take drastic steps to control this situation. Even though our country is rich in forests for its quality of wood and its quantity also, we think that it cannot last forever unless something is done in favour of reforestation. We already are starting to suffer the increases in the price of wood since it is being brought from farther and farther places in the east of the country. Recently the Government of Ecuador placed some considerable funds for the forestation and reforestation programmes through the Banco de Fomento Nacional (a bank dedicated to promoting the national industries), but the proper technological guides are not available, making the project practically a failure. So far, nobody has received a loan for forestation or reforestation from the bank.

Talking about the machinery that is being used, most of it has been imported. It is being imported from Europe, especially from Italy, Germany and Spain, and also from the USA and Brazil. Colombian made machines are also in the market.

At the moment we have two important woodworking machinery factories that produce machinery closer to the poor quality side but that have a good market due to its lower price.

Powered hand tools and tools in general are expensive since they are imported by private trade and import businesses. The Small Industry Association of Ecuador is working to start an Associates Tool Shop. That way its associates would have access to good quality tools and powered hand tools at a reasonable price.

Also the Small Industry Association is working to start a Bank that would help directly its associates in internal and foreign operations, loans, etc.

One of the problems smaller industries face is the fact that the supply of 4mm thickness plywood is not enough internally in the country while the plywood industries are exporting it in large amounts. Lately the Small Industry Association has been having talks with the Government and the plywood producers trying to solve this problem; so far it looks as though the problem will be solved shortly.

As a conclusion we could point out that the Ecuatorian wood industry is developing and growing at a rapid pace and the technological help from more developed countries gets more and more important each day in the production side of the industries as in its administrative functions.

After attending the UNIDO Seminar for a few days, I realize how important it is to know the "know-how" of the wood industry, since it simplifies the operations and increases the production. Simple technical facts as knowing how to make a jig for one or another job brings a completely different outlook to the production part of the industry.

Technology is certainly the base of industrial development.

