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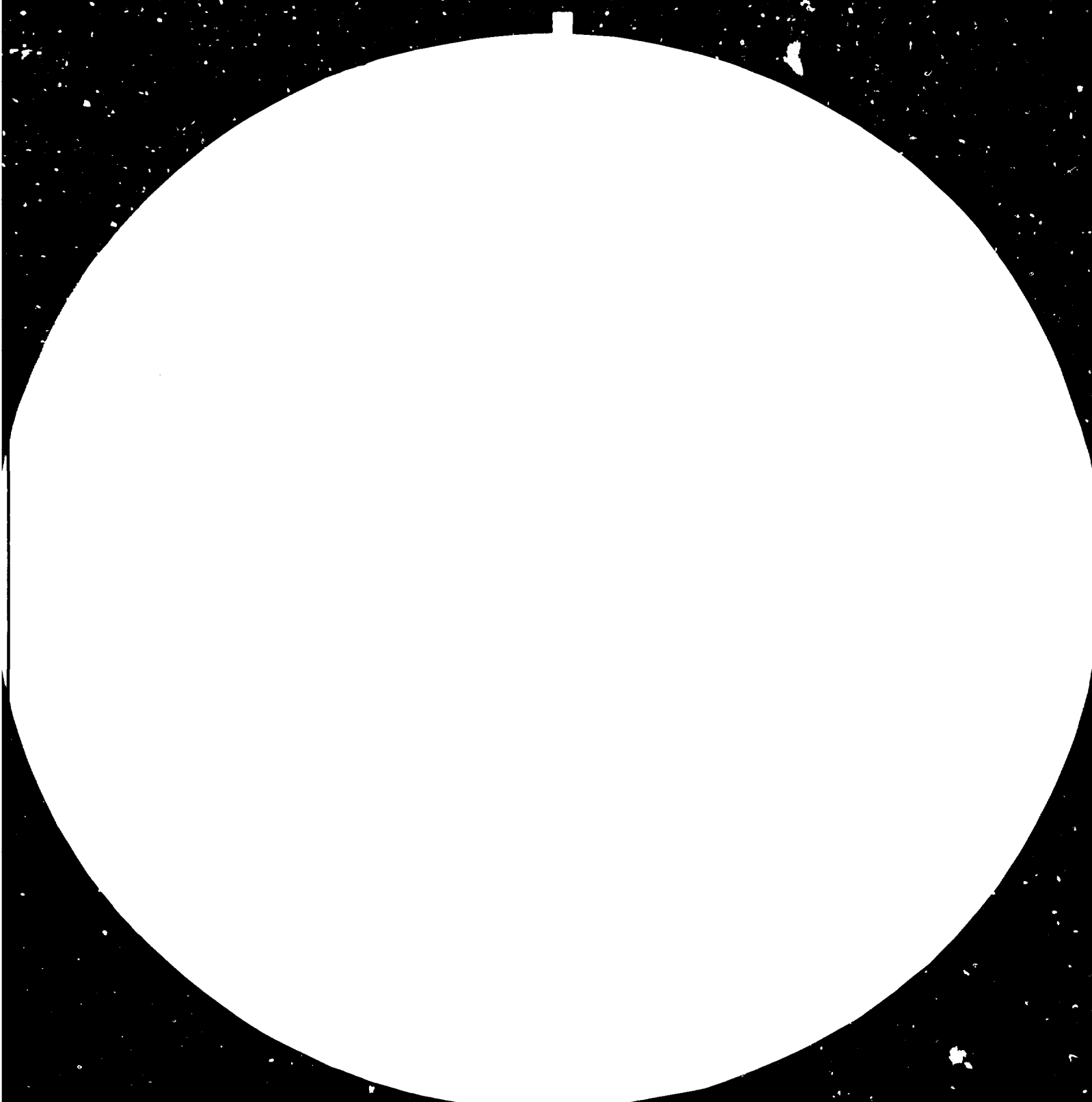
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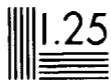
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DEVELOPMENT OF THE FOREST SECTOR OF THE
AFRICAN TIMBER ORGANIZATION COUNTRIES *

by

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I take the liberty of recalling that the ATO now brings eleven countries together: Cameroon, Central Africa, Congo, Ivory Coast, Gabon, Ghana, Equatorial Guinea, Liberia, Nigeria, Tanzania and Zaire. I will content myself merely with the analysis of the forestry sector of the member countries indicating their place in Africa as a whole. The growing stock of productive forest was 1.691 million m³ in 1980 for ATO countries out of 1.932 million m³ for tropical Africa, that is to say, 88%. At the end of the last decade (1979) production of industrial roundwood from ATO countries was in the order of 20 million m³ out of a total of 40 million m³ for Africa. The volume of sawlogs and veneer logs, produced by the member countries rose to 13.995.000 m³ out of 20.530.000 m³ total for Africa. Finally, the volume of logs exported by ATO countries was 6.406.000 m³ in comparison with an export total of 6.583.000 for Africa.

These figures demonstrate that:

- 1) About 70% of the industrial roundwood produced in Africa are sawlogs and veneer logs.
- 2) The ATO countries have participated in 97% of African log exports, concerning the most precious wood from the point of view of researched species in the markets and technological demands. As a result, the necessary changes and measures to take with a view to reinforcing the national forestry industries concern especially the countries of our Organization.

The current forestry industry situation in ATO countries appears as follows: production of sawwood and sleepers shows a fairly regular growth: from 1.972.000 m³ in 1970 it passed to 2.833.000 m³ in 1975 and to 3.124.000 m³ in 1979, that is to say an increase of 58% in a decade. Production of veneer sheets has passed from 283.000 m³ to 286.000 m³ (+ 23 %) and plywood from 178.000 m³ to 231.000 m³ (+30%). This increase is not, however, spectacular. It is the result of greater

development in the Cameroon, Ivory Coast and Nigeria, whereas most of the other countries maintain their original level of production or show a slight regression. An analysis by country that we are carrying out at the ATO will allow us to identify the causes for stagnation and to recommend measures for recovery.

Our objective is to obtain optimum profitability from potential exploitable forests. A rational exploitation should be organized according to

- the volume of standing wood that can be commercialized
- the logging costs, transport and commercial circuits
- actual commercial possibilities offering the most advantageous yield possible by increasing the conversion of wood in producing countries
- the duration of rotation that one fixes to insure a permanent activity in future forestry exploitation.

Forestry exploitation in our countries is still very selective. The net volume of logs extracted per hectare is between 5 and 25 m³. However, due to the regression in available forestry surfaces, the governments are determined to develop exploitation and utilization of a greater number of species and thus increasing the volume taken out per hectare.

We should correct our approach vis-à-vis forestry resources by determining the factors that contribute to optimum utilization of species, the highest yield when exploited, transport and conversion (decrease waste and loss). We should research the means which would allow us to reduce the cost price to the lowest possible level, notably in logging. We have noticed a heavy impact in the rise of forestry equipment costs, fuel and lubricants on the cost price of logs and their products, which consequently become very expensive raw materials.

In fact, from 1974 to 1982 the costs of chain tractors, skidders and their tyres, spare parts and fuel, as well as labour costs have passed from single to triple. Consequently, engine running costs have rendered forestry activities non-profitable and we have recently been through a period of regression due to the fact that a number of enterprises have ceased activity. I wonder if the loss of these

companies was truly high, the companies concerned were from abroad and their headquarters as well as their own factories are in Europe. The balance-sheet of their African enterprises is always done outside the region. Even in the most prosperous years they present only weak results. The economy of our countries is hit at the first line when some difficulties due to sales, prices etc... occur. Throughout this period, and in certain countries, the disappearance of large industries that had become non-profitable gave rise to the creation of a number of small national companies which could accommodate the difficult conditions thanks to their modest material and fairly low overheads. But such companies are not in a position to improve the structures necessary for long-term economic activities, to create modern factories for transformation or to appreciably contribute to regional development. We want to help these small companies so that they may overcome such difficulties as:

- Insufficient equipment
- Management problems due to the absence of qualified personnel
- the weak capacity to self-finance
- Reduced size.

One solution envisaged would doubtless be to regroup the small exploiters and industrialists into medium and large dimensions with enough means to render them profitable and prosperous.

Regarding sawnwood, tropical woods are especially destined for joinery , the furniture industry, frame-posts, mouldings, sundry sections, panelling, parquets etc... Therefore, it would be fitting to produce those basic stock in the sawmills which, being specialized, should be able to offer a certain flexibility in the range of their products in order to better adapt to crisis situations. For example, we can foresee advance production of goods from different species of redwood, dried and properly treated, which would be destined for window making, the users would only have to finish them in the factory and assemble them. In the same way, one could start producing blocks of different fixed lengths which could be worked in the importing factories specialized in making legs for the furniture industry. One can also quote other examples of production: series of frame-posts, unfinished strips for panelling and parquet, etc. ...

Local production of sawnwood will allow utilization of wood which does not meet the quality of logs destined for production of veneer sheets or for export. In addition, little known species whose promotion in the log market takes several years, will be more easily acceptable. Apart from this, we know that at least 50% of locally produced sawnwood does not conform to technical standards as regards quality or size and should be sold off in the proximity of the sawmill. Thus it is that local demand of goods constitutes one of the factors that influences the location and size of the factory. Taking into account normal depreciation on investments, an average factory should be able to count on a log supply of 35.000 to 75.000 m³ per year. This is the volume that corresponds to a sawmill equipped with a single large blade and other means put into operation for the second sawing, that is to say, re-sawing, edging etc. ... One can say that, for a semi-hard wood of 60 cm diameter, the highest production is around 17 m³ per hour of sawnwood, which, on the basis of 1800 hours work, present an annual production of around 31.000 m³ of sawnwood, that is, an consumption of 75.000 m³ of logs. Of course, such a production can only be obtained if the company is well managed. Production capacity could, of course, be brought lower, but, in this case, for example, production of 1500 m³ per month can often be seen as economically unprofitable.

The production of veneer and plywood was 630 000 m³ in 1980 in two ATO countries. About 185 000 m³ of veneer sheets were exported, much of which could have been converted locally into panel products. The plywood exports accounted for no more than a quarter of production. This indicates poor competitiveness and lack of incentives to create export capacity.

Concerning the ATO countries, there is therefore the possibility of relatively soon producing plywood panels from veneer sheets, exported as such. From a technological point of view, it is a question of extending the veneer mills with edgers, splicers, glue-spreaders, presses, polishers etc...

I have only brought up certain actual problems in the development of our forestry industries. When I spoke of the rising cost of logging equipment, it was to remind us that it hits our industries hard, for the factories must purchase at high cost the wood from the exploiters.

In ATO countries, the actual industrial production is relatively weak in comparison with installed capacity because of worn-out equipment, lack of spare parts and an inadequate maintenance of equipment. In order to at least maintain the present level of production and improve output, modernisation of equipment appears to be necessary.

I believe that the ONUDI meeting will examine deeply the questions relative to forestry industries in Africa. I estimate that, in the years to come, part of the logs now exported can be transformed on the spot. We shall therefore need more capacity for transforming some 3 million m³ of round wood. The new capacity should be conceived carefully. It will need a detailed planning and coordination and more particularly, attention to African management formation and improvement of labour force.

