

# Wood Industry



The wood processing industry is not the key industry of the Czech economy as far as the volume of production is concerned and it cannot compete with sectors such as mechanical engineering, automotive or electrical engineering. However, its production and workforce play an important role in the economy. It is spurred by the fact that wood processing and the production of wooden, wicker and straw products have been shaped by a centuries-long tradition in the Czech Republic.

Wooden products are processed and used in all sectors of the economy. Their primary markets include construction, the furniture industry, agriculture, the automotive industry, railways and also the production of musical instruments, toys and sporting goods. The renewable raw base – wood – is an indisputable advantage of this segment. Its annual timber increase in forests in the Czech Republic is not logged, so the timber stocks are steadily increasing and the CR is not dependent upon imports of this raw material. The CR holds an abundance of wood; logging is expected to increase by at least 2030 its requisite quality and category. The wood processing industry accounts for 3.1% of the whole processing industry in terms of revenues in sales of products and services, 3.2% in terms of book added value and 5.4% in terms of the number of employees.

The volume of logged raw wood in the Czech Republic ranges from 14.5 million m<sup>3</sup> to 15 million m<sup>3</sup> in the event of a natural disaster, out of which approximately 90% is softwood. Over ninety per cent of logged timber is industrially processed as lumber in the wood processing industry and pulpwood in the cellulose-paper industry. With regard to the abundance of raw timber, the overall satisfactory conditions of the wood processing industry and a perspective of increasing demand for wooden products, the whole timber industry is expected to grow in the coming years.

Products of the wood processing industry are essential for the whole economy, despite the fact that Czech society does not fully take advantage of wooden products. This applies mainly to the construction industry, where traditional silicate base materials such as bricks and blocks prevail.

They are energy and water demanding and impede the environment with dust, while wooden products have relevant mechanical and physical characteristics and are environmentally and health friendly.

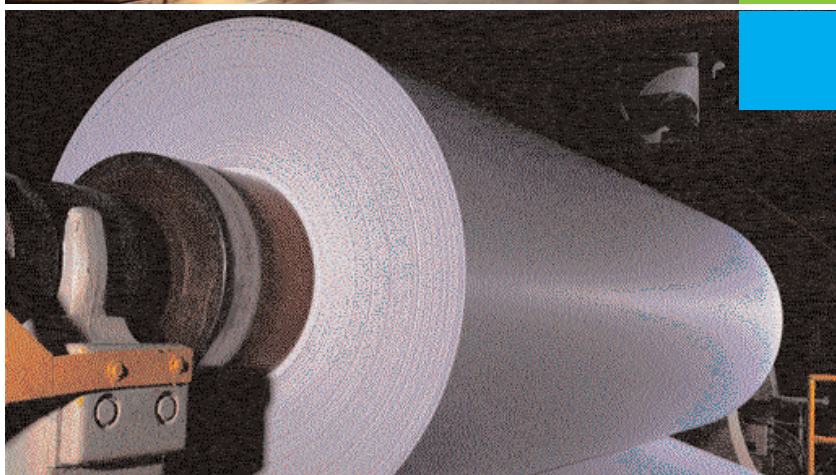
The cellulose-paper industry is currently regarded as a competitive and perspective segment of the manufacturing industry. It is based on renewable raw materials, primarily of domestic origin – timber and waste paper – and has been recording sustainable development over the last few years. All key producers have implemented environmental management standards. The Czech Republic is very successful in improving the negative impacts of production by building modern treatment plants in all the larger manufacturing facilities.

The Czech cellulose-paper industry has attracted a whole range of foreign investors. The following are a few foreign entities successfully operating in the Czech Republic: the international paper and packaging group Mondi, with three production sites in Štětí, the Austrian company Duropack, producing packaging and corrugated board in České Budějovice, Smufit

## Production structure of the forest industry, 2008

	% of the total production volume
Carpentry and wood working production	37%
Saw milling production and wood preservation	30%
Production of sintering and other products	20%
Other production, production from cork, wicker and straw	7%
Production of wooden packaging	6%

Source: Czech Statistical Office, Ministry of Industry and Trade



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Kappa, one of the biggest European paper manufacturers and the producer of corrugated and solid board packaging, Huhtamaki group, the leading world manufacturer and supplier of packaging for food and consumer industries. Huhtamaki is the only company in the Czech Republic using special technology for processing recycled paper – the production of packaging from moulded fibre. The world's leading fine paper merchant PaperlinX from Australia owns the largest paper wholesaler in the CR Ospap.

In spite of the dynamic growth of paper and board consumption, its level in the CR does not yet reach the level of the developed countries of the EU and it can be assumed that the consumption will grow to an annual consumption of 200 kg per inhabitant. This would correspond to the total consumption of approx. 2 million tons per year. The optimistic prospects for this sector are further supported by the fact that the raw material base is renewable, the production can easily be recycled and generally, it is perceived as environmentally friendly.

The Czech Republic is strong in the development, production and sale of wood-working machines. Companies in this sector provide professional consulting services and deliver complete units. They have implemented the

ISO 9001:2000 management systems and their products meet the European CE norms. Products such as various types of saws (formatting, cross cut, rip, panel), moulders, chucks, joinery machines, and presses find their clients worldwide.

The Bohemia Line alliance is an official export alliance of the government agency CzechTrade. It associates four prominent Czech producers of woodworking machines. The main goal is to provide customers with integrated technology for massive wood processing by linking the production programmes of the individual subjects.



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Moravian Silesian Wood processing Cluster, [www.msdk.cz](http://www.msdk.cz)

Agriculture and Forestry Machinery Association, <http://www.zetis.cz>

Association of the Pulp and Paper Industry, <http://www.acpp.cz>

Czech Exporters Directory <http://exporters.czechtrade.cz/en>