



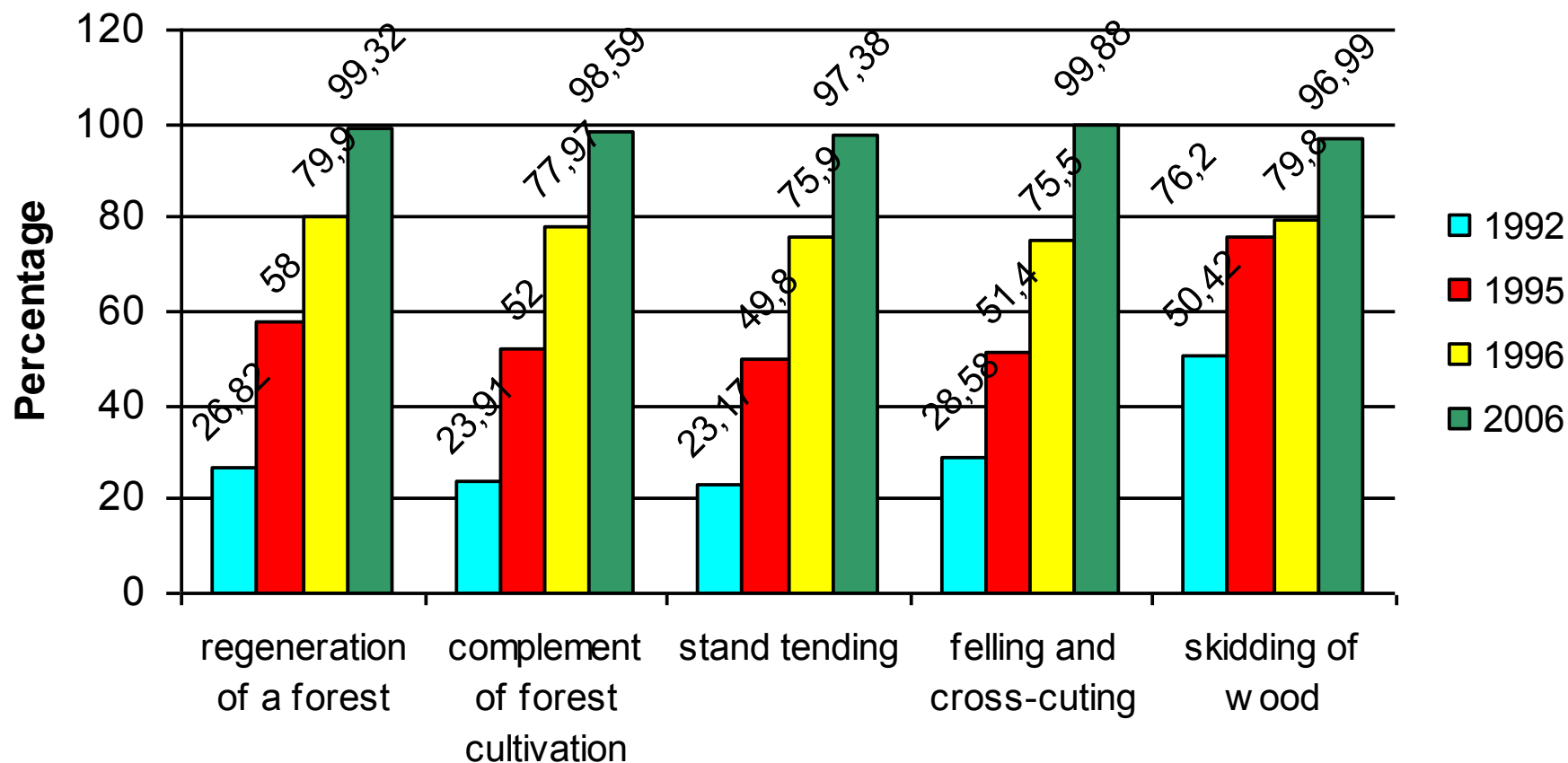
Legal and Economic Aspects of Private Forestry Enterprise Activities

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LEGAL ASPECTS OF PRIVATE FOREST FIRMS

- In 1991, the Supreme Board of State Forests issued the "Guidelines framework - privatization of forestry,,
- GDSF 1995. Privatization of economic activity forest districts
- Decree No. 36 of the Director General of the LP dated 16 May 2002.
(Defines the role and tasks of the SF in the development of forest enterprises)
- Decree No 79 / 36A of the Director General of the LP dated 14 December 2004. (On cooperation organizational units of the SF with sector of forestry contractors, rules for selecting the forestry companies ordered services)
- Decree No. 36 of the Director General of the LP of 11 August 2011.
(On cooperation with organizational units of the SF with the sector of forestry contractors)

The level of privatization by sector in the State Forests

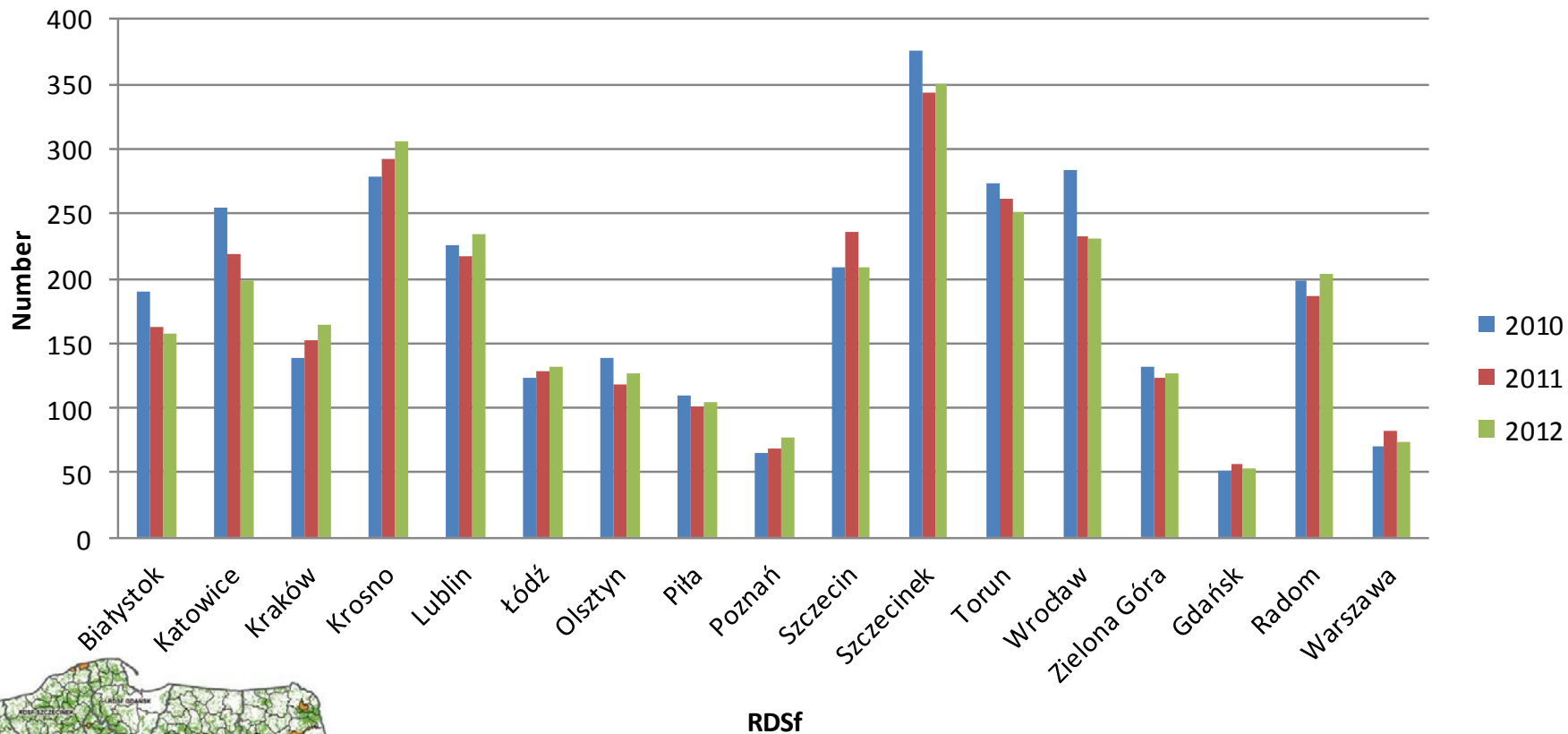


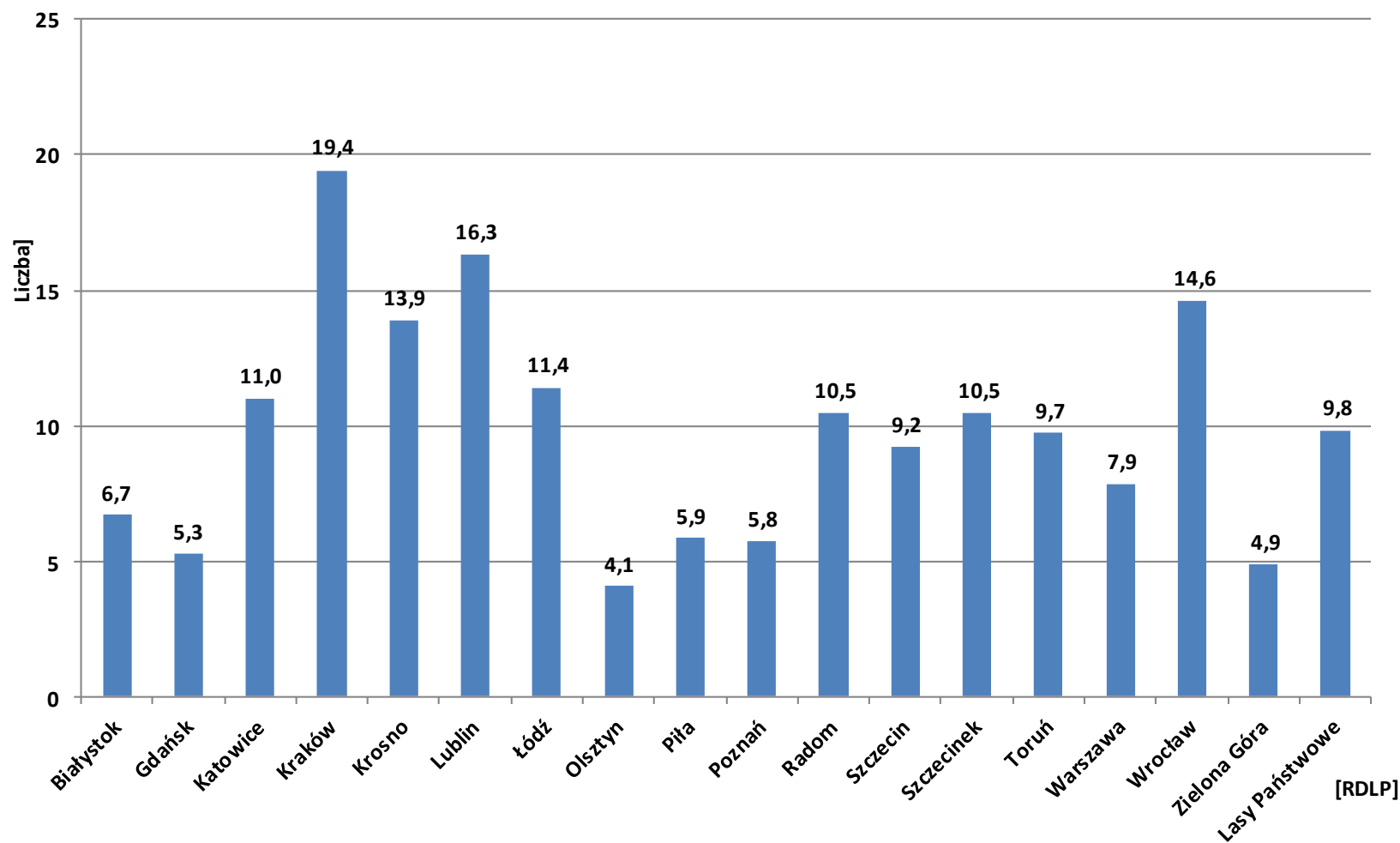
PRIVATE FOREST FIRMS

Reason of forming forestry companies

- I. The initiatives of peoples who want to set up a private company
- II. The need for workers leaving the forest districts.

The number of forest firms by RDSF

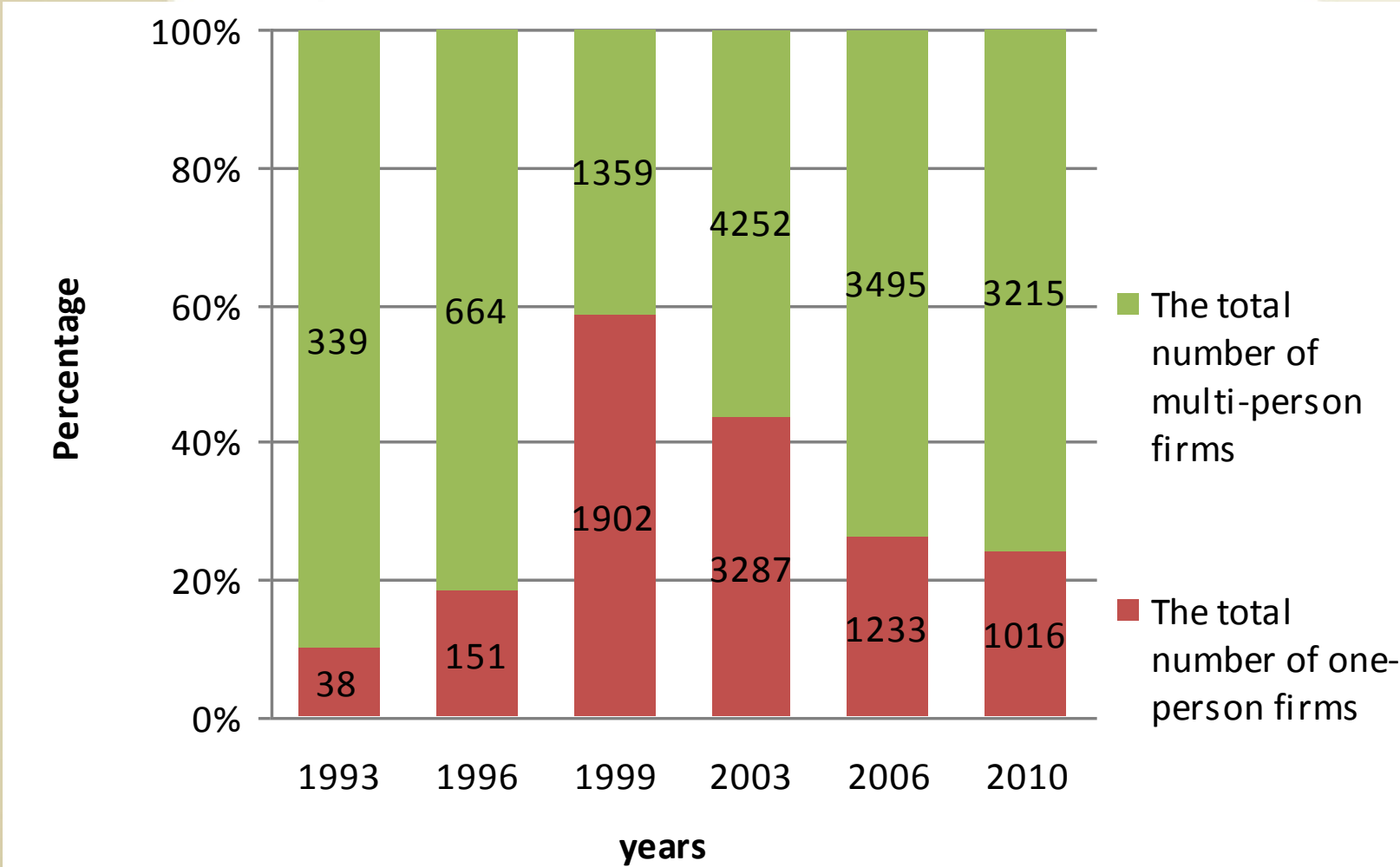




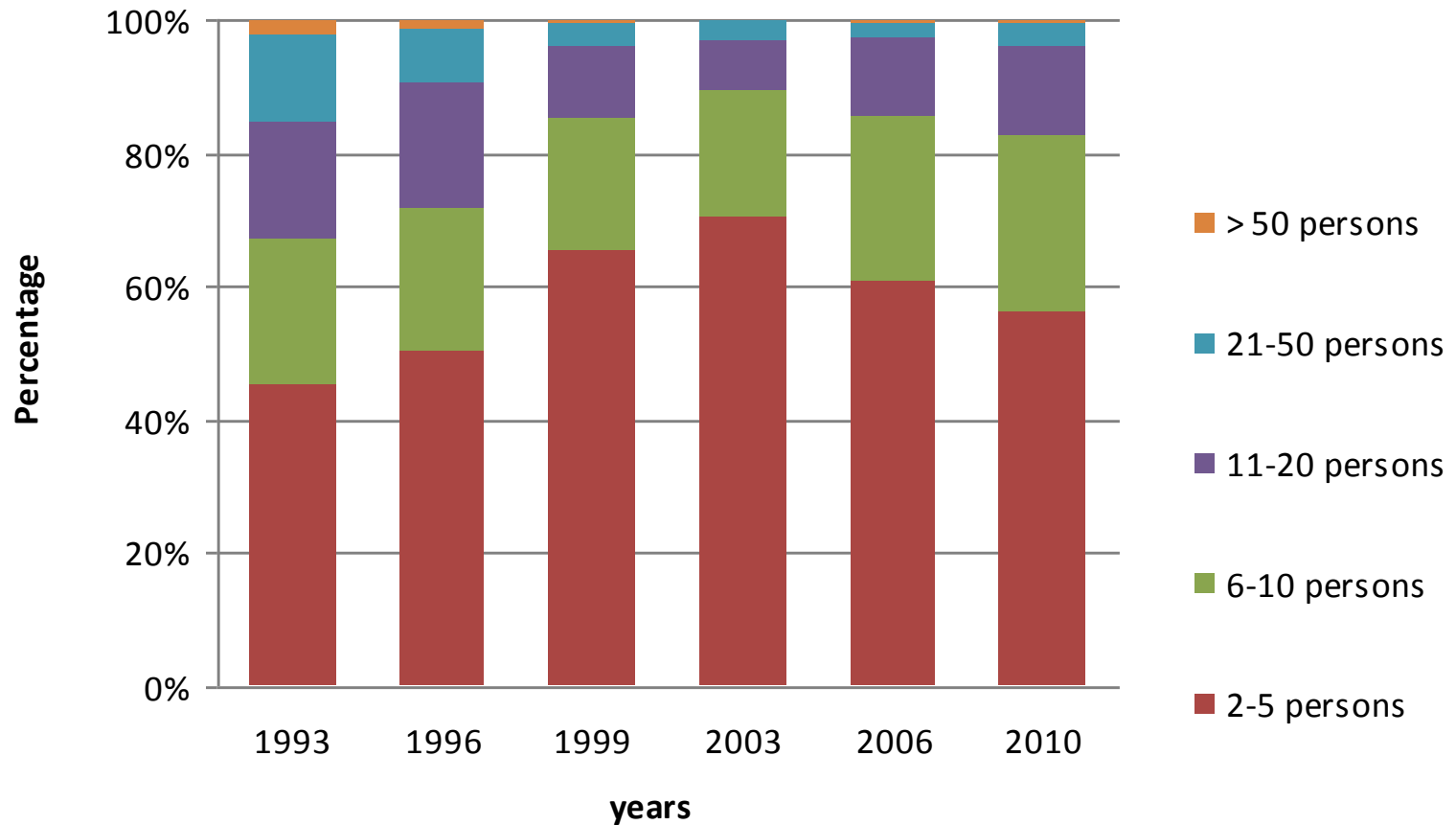
Average firm numbers on one forest districts in 2010 according to RDSF [Kocel 2013]

[RDLP]

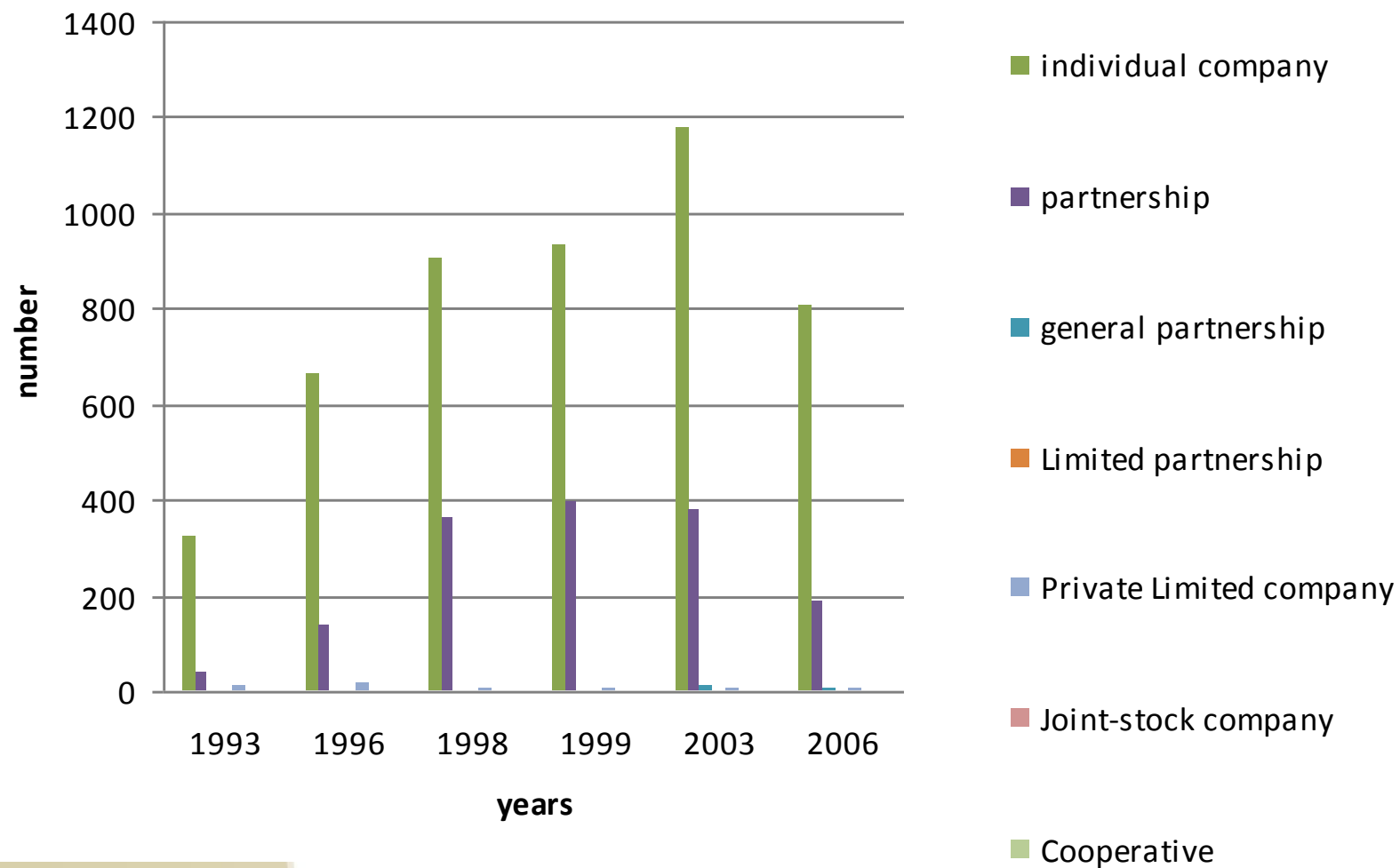
Small and medium-size private forest firms



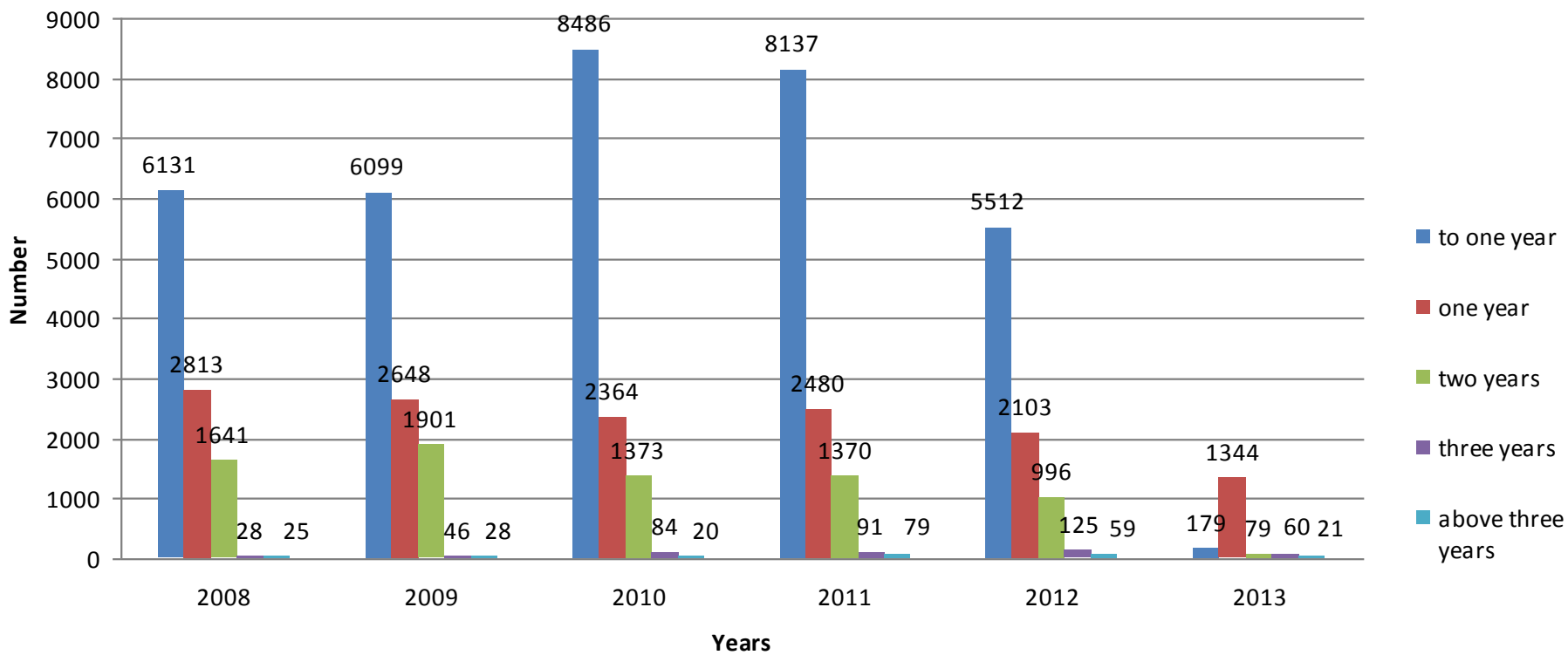
The number of multi-person private forest firms employing the manual workers



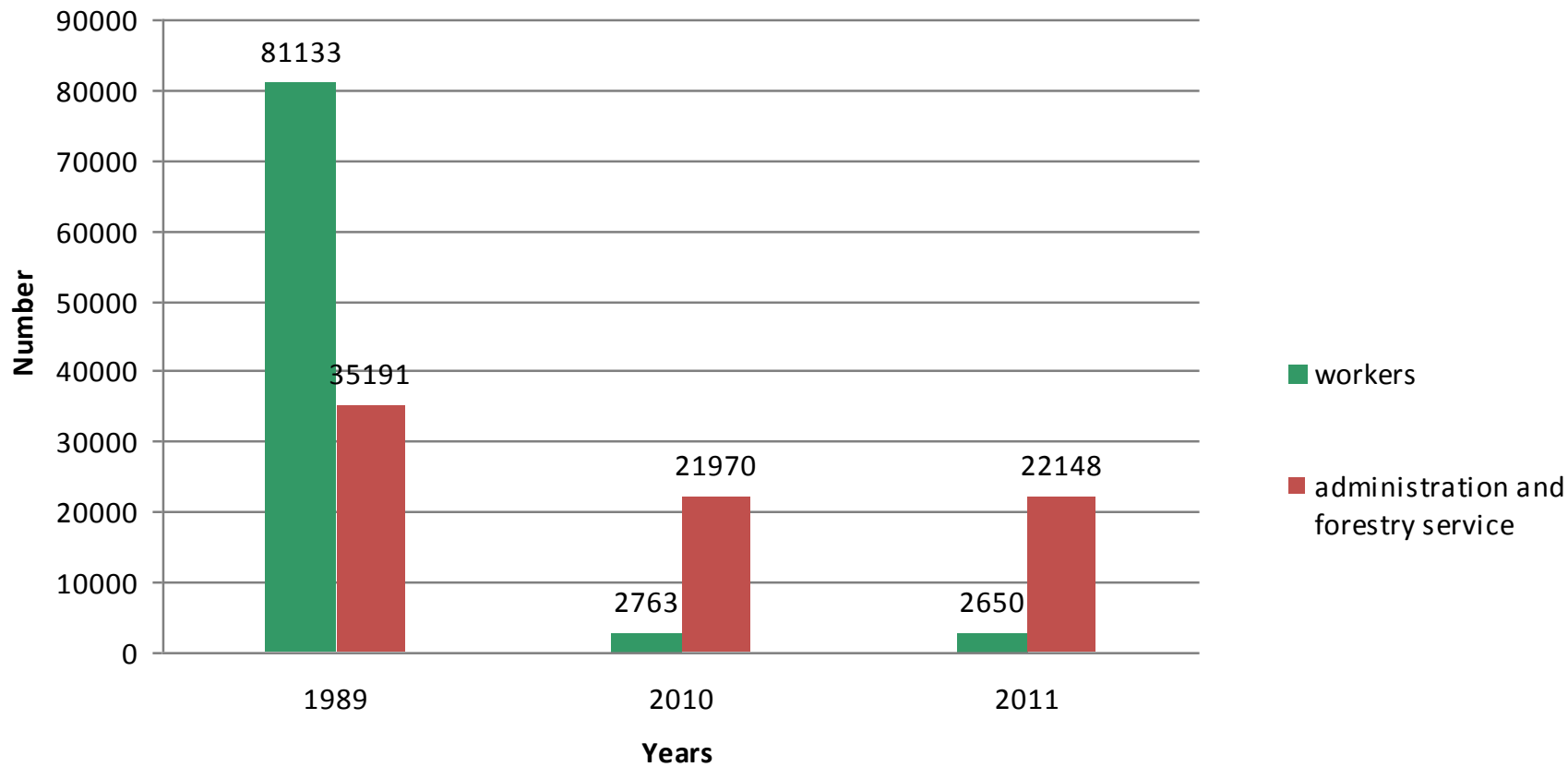
Organizational and legal form of private forest firms



The period of the contract order between private forest firms and forest districts administration



Emploment in the State Forests



Barriers of development the private forest firms

- **The rates for the services offered by the forest district,**
- **necessity to join tenders**
- **short-terms contracts,**
- **lack of interest in the management of some forest districts with development of forestry companies,**
- **bad cooperation with Forest Service Administration (bad atmosphere),**
- **delays in settling accounts by forest districts.**



CAUSES LIMITATION OF DEVELOPMENT PRIVATE FOREST FIRMS

- **An important reason for limiting the development of forestry companies are the managerial skills of the owner of the company, (such as. education, which may entail a limited ability to conduct business and organizational skills),**
- **Non-recognition of the market and excessive optimism as to its absorbency.**

Summary

- 1. Currently, there are divergences of interests, private forest firms want and strive to perform a specific task as the least expenditure of energy and time, do not always referring to the forest environment, and for the State Forests is also essential that the execution of the task carried out while minimizing human intervention in the forest environment.**
- 2. Choosing the right technology and resources should precede the analysis of the potential damage to the forest environment. When making decisions should be guided by the natural ways, not just the technical condition of the equipment and the services are performed. This will eliminate the technology causing extensive damage to the forest environment.**

Summary

3. Many single private companies rather quickly ceases trading, because they can not afford to buy specialized equipment.

4. Evaluation of private forestry companies should take into account the costs of services.

However, the value (cost) of the service should not be the only and the most important factor which is taken into account during tenders settlement.

Conclusions

- **Developing and ensuring long-term contracts, allow owners to purchase specialized equipment and improve the skills of employed workers,**
- **Forest contractors need a clear, objective criteria for tender procedures (if possible the same within whole SF). Those criteria should call the contractors to show the informations about employees and equipment at the disposal of bidder**

thank you

