

EDITORIAL

THE STATUS AND POSSIBILITIES OF A MORE ACCURATE EVALUATION OF FORESTS AND FORESTRY AS PART OF THE ECONOMY OF THE REPUBLIC OF CROATIA

According to Article 52 of the Constitution of the Republic of Croatia and Article 2, paragraph (1) of the Forest Law, "forests and forestland are of interest to the Republic of Croatia and enjoy its particular protection". Article 3, paragraph (1) of the Forest Law states that "forests and forestland are specific natural resources which, together with non-timber forest functions, require a special planning and management method. Paragraph (2) of the mentioned article lists 15 non-timber forest functions.

As we can see from the above, both the Constitution and the Forest Law emphasise the importance of forests and forestland for the Republic of Croatia and regulate management with this specific natural resource. The question now remains: do we apply the specific planning and management method in practice, or do we manage this resource according to political dictates and treat it as one would treat a shoe factory which could go bankrupt tomorrow with little national consequence. If the 15 non-timber forest functions listed in paragraph (2) are not there only for declarative purposes, but should be respected for their immeasurable value, then the proportion of forestry in the whole economy requires different evaluation. Based on the principle arising from scientific research in Western Europe, the value of forest functions are estimated to be up to 50 times higher than the value of timber as raw material. Our intention here is not to discuss the fee for non-timber forest functions or who should pay it, but only to state in general how much they might be worth (20 or more times higher on average), and add them to the value of timber as raw material.

Accordingly, the calculation of these values is based on the value of timber as raw material and the appraisal factor of non-timber forest functions. The value of timber as raw material depends on the quantity, quality and price of a wood product, where the quantity and quality are defined by the management method contained in the Management Plan and the price is defined by the market. What follows are questions to which we are expected to provide answers. Do we manage this specific natural resource by adhering to the Management Plan and the principle of sustainable management? Do we skip, for various reasons, the prescribed forest treatments in terms of time and quality, and do we, by doing so, decrease the non-timber forest function, thus influencing the quantity and quality of raw wood material? Finally, do we utilize the productive capacities of a forest site to the optimum?

With regard to the available quantity and quality of raw timber, we should provide answers to two more questions: do we use all the available raw wood material and how do we use/sell the most valuable raw wood material – as raw material in the literal sense of the word, as a semi-product or as a final product, which also determines the proportion of forestry in the national economy? We finally arrive at the price of raw wood material and the question whether this price is dictated by the market or is a remnant of "planned economy". As long as domestic demand is up to three times higher than the supply of certain wood assortments, as long as it is more profitable to manufacture parquet flooring from the best quality wood material (instead of processing) than make high quality final products, use wet wood to make pellets or transport wood chips and sawdust above financially limiting transport distances (Hungary, Austria, Italy and then the home market), the prices will definitely not be market prices. How it is possible that prices in market economy are determined by the state? Who do we protect and for what reason do we irresponsibly squander our national treasure?

About 80 % of the forests and forestland is state owned in terms of area and about 95 % in terms of value. All this wealth has been entrusted to the state company Hrvatske Šume Ltd, who has been in the restructuring process for almost 20 years. Here is a sentence taken from the text by Ž. Ivanković (Večernji List): "According to scientific analyses, privatisation was dominated by so-called defensive restructuring and cutting down on work posts, unlike other transitional countries where privatisation was characterized by development, launching new products and conquering new markets". Taking all the above into account, we ask more questions: is our case also the case of "defensive restructuring", and why Austrian foresters, for example, know how to perform tourist-based jobs at their facilities and we do not, or why they sell energy while we sell wood chips in minimal quantities instead of the currently available quantities, or even much higher quantities in the future, by which we would significantly decrease the import of fossil fuels? If we give honest answers to these and other questions, we shall arrive at the answer to the question in the headline. More importantly, if we manage to pass these questions and answers to the competent Ministry and the Croatian Government, maybe the current attitude towards forestry as one of the most important branches of Croatian economy will change for the better.

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