



## **Vladimir Putin instructed to switch all sales of timber harvested by government-owned and municipal entities to national commodity exchanges**

Russian President Vladimir Putin instructed the State Duma and the Government of the Russian Federation to amend the forestry legislation, specifically in the field of on-exchange timber trading.

According to the document posted [on the website of the head of state](#) these changes provide for “setting a requirement for mandatory sale of timber harvested by government-owned and municipal entities on commodity exchanges (except for the sale of timber to individuals for their personal needs)” (Pr-1816, Clause 1m). The deadline set is May 1, 2021.

The need for mandatory sale of the timber in question via commodity exchanges has been discussed for a number of years in key ministries and government agencies, in the constituent regions of Russia with participation of market participants, expert community and SPIMEX. Such a step will contribute to the rational use of forest resources, an increase in profitability of the government-owned enterprises, expansion of the regional on-exchange timber trading practices, and development of transparent and fair price indices for forestry products.

On-exchange timber trading was launched on SPIMEX in 2014 pursuant to the instruction of the Russian President Vladimir Putin given at the meeting of the State Council of the Russian Federation held on April 11, 2013.

Enterprises that represent 16 constituent regions of Russia are currently trading timber on SPIMEX. Cooperation agreements have been signed by the Exchange with 28 regions located in six Federal Districts of Russia. About 1,000 government-owned entities, private enterprises and individual entrepreneurs trade timber on SPIMEX. Year-to-date, the volume of timber traded on SPIMEX exceeded 1.75 mcm, while in 2019 it reached 4.022 mcm.

***The Saint Petersburg International Mercantile Exchange (SPIMEX) is Russia’s largest commodity exchange offering a wide range of products traded both in its Commodities***

*Section (refined oil products, crude oil, natural gas, LPG, timber and construction materials, fertilizers) and in its Derivatives Section. The Exchange's key task is to operate a transparent, fair and efficient price formation mechanism for Russian commodities. SPIMEX was founded in 2008.*