



Volume of timber traded on SPIMEX year-to-date exceeded 1 million cubic meters

As of March 15, 2021, the volume of timber traded on the Saint Petersburg International Mercantile Exchange (SPIMEX) since the beginning of 2021 amounted to 1.004 million cubic meters, that is 70.5% higher than in 2020, with the number of contracts made being 460.

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.

Industry enterprises and individual entrepreneurs representing 19 constituent regions of Russia have joined the trades since then. In 2020, enterprises of the Tyumen, Nizhny Novgorod, Novosibirsk, Chelyabinsk Oblasts and Zabaykalsky Krai joined the trades. In 2021 – the Vologda Oblast. Physical delivery is effected from the hubs located on the territory of the each region.

The beginning of 2021 witnessed a significant growth in trading volumes in the most constituent regions of Russia.

The total number of participants is equal to 839.

The top-5 constituent regions of Russia ranked by the volume of timber traded on SPIMEX:

| Region | Volume traded (cubic meters) | Growth in % |
|------------------|-------------------------------------|--------------------|
| Krasnoyarsk Krai | 832,350 | +100.6% |
| Udmurt Republic | 122,210 | +26.9% |
| Perm Krai | 24,391 | +3.6% |

| | | |
|---------------------|-------|---------|
| Khabarovsk Krai | 6,108 | +100.0% |
| Republic of Karelia | 3,877 | +100.6% |

In 2020, agreements on development of timber trading were signed by SPIMEX with the Governments of the Republic of Sakha (Yakutia), the Sverdlovsk Oblast, the Chelyabinsk Oblast, the Zabaykalsky Krai and the Khanty-Mansi Autonomous District. In 2021, a new cooperation agreement was signed with the Irkutsk Oblast. As of the current date 30 regions of the Russia situated in six Federal Districts signed agreements on development of timber trading with SPIMEX.

In 4Q 2020, the first contracts with timber certified by the Forest Stewardship Council® (FSC) were made on SPIMEX with delivery from the hubs located in the Udmurt Republic. In 2021, trading in the certified timber is held regularly. As of 15 March 2021, the volume of such trades on the SPIMEX platforms exceeded 5.7 thousand cubic meters - 6.5 times rise y-o-y. The seller is obliged to have a corresponding certificate when delivering the certified timber.

Following a meeting concerning development and decriminalization of the timber industry held on 29 September 2020, the Russian President Vladimir Putin instructed the State Duma and the Russian Government to make amendments to forestry legislation, specifically in the field of on-exchange trading. According to the document posted [on the website of the head of Russian 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 for implementation of the instruction is May 1, 2021.

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.