

The role of price policy in the state strategic planning of the forest sector of the Russian economy

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In 2007 with adoption of the new Forest Code there was decentralization of forest management in the Russian Federation as some forest relation authorities has been transferred to regional level.

It should be pointed out that this innovation was the 1st step towards market relations in the forest sector since lately forest management units carried out administrative and management functions at the same time.

Thus the economy planning system that existed in the USSR was in forestry until 2007 and some planning approaches function in forestry so far.

The paper reviews issues to raise forest use efficiency, promote timber deep processing and raise forest use income due to forest lease payment improvement

Statistical data on lease holding payments as well as key technical economic forest sector indicators are given in retrospective.

One of the key statements is that planned economic substantiation of forest use payments should not affect financial position of timber producers. In addition issues of income and cost distribution among levels of the Russian Federation budget system are reviewed.

The paper presents a matrix to transfer to market based forest resource payment that is preliminary and don't cover intermediate stages as well as technical features and regarded as a framework to develop general reform idea.

The paper suggest adoption of law on round wood state regulation in development of proposals to improve pricing policy. While payment system due to that law may be transformed from payment for a 1 M³ to area payment and cubic meters calculations may be done during loggings.

Key words: *price policy, the rates of payment for wood, forest sector of economy, forest industry, timber harvesting, the lessee, profit centre*