

Weather troubles logging industry

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The Latvian Crisis Management Council on December 28 decided to declare a 'disaster situation' in the logging sector due to heavy rains and floods this fall.



This will protect logging companies against sanctions for non-performance, like the failure to repay loans or to complete EU-funded projects on time.

The decision about the disaster situation takes effect immediately.

Latvian Agriculture Minister Janis Duklavs (Greens/Farmers), who chaired the meeting of a Crisis Management Council as the acting prime minister, afterwards told the press that the situation in Latvia's forests was the same as in agriculture, therefore the council had to come to a decision.

Instead of declaring a state of emergency, however, the existing situation has been declared a natural disaster.

The disaster situation will only extend to the logging sector, not the entire forestry industry.

According to Duklavs, it was decided to declare a disaster situation in the logging sector to protect logging companies against sanctions for non-performance due to the floods, for example, the failure to repay loans or to complete EU-funded projects on time.

The logging companies will not be seeking any compensations from the Latvian state for flood damages which had not yet been estimated.

Andrejs Cunsks, President of the Latvian Logging Association, which is one of the several organizations that turned to the Crisis Management Council, said earlier that the weather conditions had made logging and removal of timber from forests particularly difficult. Moreover, this also made it hard for the logging companies to pay their liabilities to leasing companies and banks on time. "The weather conditions could be the reason for declaring a force majeure situation in the forestry sector so that we would not have to pay penalties," he said, adding that the companies were not asking for any compensations from the state.

He stressed that the situation had not improved much since the state of emergency was declared in the Latvian agriculture for the same reason - heavy rains and floods. "Soil can only absorb so much water," he said, complaining about flooded roads, fields and forests. Machinery is breaking down in such hard conditions, which means extra costs, and logging productivity also suffers, Cunsks said.

The Crisis Management Council is chaired by the Latvian prime minister. As Prime Minister Maris Kucinskis (Greens/Farmers) is on a vacation this week, Agriculture Minister Janis Duklavs has been temporarily entrusted with the responsibilities of the prime minister.